

Invitation to Negotiate (ITN)

Treasury/Banking and/or Custody Services

State Board of Administration of Florida

Issue Date: May 21, 2010

Response Deadline: June 18, 2010

Designated Contact:

Lori Guido

1801 Hermitage Boulevard, Suite 100

Tallahassee, Florida 32308

Phone: 850-488-4406

EMAIL: lori.guido@sbafla.com

Do not contact SBA staff regarding this ITN. Direct all correspondence during the ITN process to the contact listed above.

TABLE OF CONTENTS

Section I – Introduction and Purpose2
 A. Background
 B. Purpose
 C. Minimum Qualifications

Section II – Scope of Services.....5

Section III – Required Information.....6
 A. Cover Letter
 B. Services Questionnaire
 C. Service Requirements Affirmation Statement
 D. Financial Information
 E. Fee Proposal (Separate Document)

Section IV – Response Requirements.....8
 A. Completeness
 B. Requests for Modification of a Response
 C. Respondent Guarantees
 D. Requests for Clarification of the ITN
 E. Response Deadline
 F. SBA Not Liable for Respondent’s Cost
 G. Delivery Address
 H. Respondent’s Responsibility
 I. Oral Interview
 J. Disclosure of Response Contents
 K. Right to Amend and/or Withdraw
 L. Rejection of Responses
 M. Contract Execution
 N. Contract Term
 O. False or Misleading Statements
 P. Collusion
 Q. Conflicts of Interest
 R. Quiet Period
 S. Further Instructions and Conditions

Section V – Evaluation Criteria.....14

Section VI – Timeline.....15

Appendix I16
 Services Questionnaire

Appendix II.....19
 Service Requirements Affirmation Statement

Attachment 1
(a) Account Structure
(b) Service Fees
(c) List of Debt Service Holdings

SECTION I – INTRODUCTION AND PURPOSE

A. Background

The State Board of Administration of Florida (the “SBA” or the “Board”) is an agency of Florida state government that provides a variety of investment services to various governmental entities. These include managing the assets of the Florida Retirement System (FRS) Pension Plan (i.e., defined benefit plan) and Investment Plan (i.e., defined contribution plan), the Lawton Chiles Endowment Fund, the Local Government Surplus Funds Trust Fund, the Hurricane Catastrophe Fund, the Lottery Fund and a variety of smaller funds. The total market value of the FRS Pension Plan was approximately \$122 billion in assets as of June 30, 2009. The total assets under management as of December 31, 2009 were \$138 billion. The SBA currently invests in six asset classes: Domestic Equity, Foreign Equity (both developed and emerging markets), Fixed Income, Strategic Investments, Private Equity and Real Estate.

A Board of Trustees governs the SBA. Comprised of Charlie Crist, Governor, as Chairman; Alex Sink, Chief Financial Officer, as Treasurer; and Bill McCollum, Attorney General, as Secretary, the Trustees have ultimate authority and oversight for the SBA’s overall strategy. All three of the Trustees of the Board are elected statewide to their respective positions as Governor, Chief Financial Officer, and Attorney General.

The Trustees delegate authority to the Executive Director and Chief Investment Officer (CIO), who serves at the discretion of the Trustees and are responsible for managing and directing all administrative, personnel, budgeting, investment policy, and investment functions. The Executive Director manages 185 professional and administrative support staff. The management of the investments is conducted with the assistance of the Deputy Executive Director.

The Board of Trustees appoints six members to serve on the Investment Advisory Council. The Investment Advisory Council reviews investments made by the staff of the SBA and makes recommendations regarding investment policy, strategy and procedures. The Council meets on an ongoing basis to discuss general investment policies and broad topics related to the general economic outlook. The Board of Trustees also appoints six members to serve on the Participant Local Government Surplus Funds Trust Fund and make related recommendations to the Board of Trustees.

The SBA provides investment management of assets of the Florida Retirement System (FRS) Pension Plan. The Division of Retirement of the Department of Management Services, the administrative agency for the FRS Pension Plan, provides full accounting and administration of benefits and contributions for the FRS Pension Plan. The Division of Retirement initiates actuarial studies, recommends benefit and contribution changes, and proposes rules for the administration of the FRS. The State Legislature has the responsibility of setting contribution and benefit levels and providing statutory guidance for the administration of the FRS.

The SBA is responsible for investing a number of other mandates, including the Local Government Investment Pool, Florida Hurricane Catastrophe Fund (and its bond proceeds

accounts), and the Commingled Asset Management Program Money Market pooled fund (“CAMP MM”). Further information on these mandates can be found at www.sbafla.com.

B. Purpose

The SBA is issuing this Invitation to Negotiate (ITN) for the purpose of soliciting proposals from qualified banking institutions (hereinafter referred to as Respondents) to provide specified services for the SBA.

The successful Respondent will need to demonstrate exceptional credentials and expertise necessary to provide treasury/banking and limited custody services. To be considered, each Respondent’s proposal must meet the standards and requirements set forth in Section IV, Response Requirements.

The SBA intends to enter into a contract with one Respondent selected. If a Respondent desires to work in concert with one or more other vendors, then each vendor must complete separately the services questionnaire and the services affirmation statement set forth in this ITN in order for all vendors to be considered as Respondents for this engagement. The final fee and the basis thereof will be determined during contract review and negotiation.

The issuance of this ITN is merely the beginning of the negotiation process. Alternate means of accomplishing the requirements specified herein, with reasonable assurance of satisfactory results, will be considered and may be accepted, at the SBA’s sole discretion, without further addendum to the ITN. The SBA may, in its sole discretion, enter into one or more contracts that include terms (including terms relating to pricing and services) that are materially different from the requirements of this ITN or the terms of any response submitted under this ITN. As a result, the SBA may consider any and all responses (including modifications to any response), any information obtained from oral interviews or on-site reviews (if any), the negotiation process between the SBA and one or more of the Respondents or information from any other source or alternative in determining whether to enter into one or more contracts and the terms and provisions of such contract. Any contract that shall serve as the agreement between the parties will be developed through the negotiation process.

The SBA may enter into negotiations with the Respondent(s) in order to achieve the most effective plan. The SBA reserves the right to negotiate concurrently or separately with competing Respondents any time after the finalists are selected. The SBA reserves the right to accept portions of a competing Respondent’s response and use such portions to form an overall program in the best interest of the SBA. Furthermore, the SBA shall have the right to use any or all ideas or adaptations of the ideas presented in any response received pursuant to this ITN. Selection or rejection of a response will not affect this right. The SBA reserves the right to reject any and all responses or portions thereof. The SBA reserves the right to withdraw this ITN or a portion of this ITN without selecting a vendor. The right of the SBA to set aside submitted proposals and re-negotiate with its existing vendors is retained without exception.

C. Minimum Qualifications

Respondents must be able to affirmatively respond to each of the following statements in order to be considered for the award:

1. The Respondent must accept and enter into a written services contract as supplied by the SBA. Final language will be negotiated in the contract negotiation phase.
2. The Respondent must agree (by written affirmation) to provide the services as detailed in Section II, as well as agree to all other requirements as stated in the ITN.
3. The Respondent's key professionals and the organization must disclose any past or current actual, potential or perceived conflicts of interest with the staff of the SBA or the members of its Board of Trustees.
4. The Respondent must be a Qualified Public Depository as defined under Florida Statute Chapter 280.
5. The Respondent must have undergone a Type II SAS 70 review of internal control for their banking/treasury services and/or their custody operations, within the last 18 months. The successful Respondent will be required to have a Type II SAS 70 completed no less than once every two years.
6. **Respondents must further meet all of the following requirements as of May 21, 2010:**
 - a) Must be a U.S. domiciled bank or trust company and a member of the Federal Reserve, under the jurisdiction of the State of Florida and the U.S. courts, and have substantial unimpaired equity capital.
 - b) Must have, at a minimum, total qualified public deposits of \$3 billion.
 - c) Must be providing, and have done so for a minimum of three years, treasury/banking and custodial services for at least three institutional clients.
 - d) Must have an accounting system that provides the SBA access to securities accounts within a uniform framework of accounting treatment and reporting.
 - e) Must be members of, and have the ability to clear transactions or cash through, all major book entry or electronic securities depositories, such as the DTC system, and the Federal Reserve System.
 - f) Must have a local branch office in Tallahassee, Florida.

SECTION II – SCOPE OF SERVICES

To facilitate the requirements of the SBA and its related funds, the SBA is seeking proposals from qualified providers for treasury/banking services and/or custody for certain assets. In Attachment 1, you will find (a) the account structure, (b) a list of sample service fees and (c) a representative list of debt service holdings to be custodied. The service functions required are:

- Treasury/banking services including controlled disbursement accounts, checking accounts, overnight excess balance investment, lock-box services, etc.
- Safekeeping, Income Collection, Accounting, and Auditing;
- Settlement and Custody;
- Technology/Systems Support.

The SBA is seeking a cost-effective banking/custodial solution that provides the system access to high-quality technology, seamless delivery of banking or custody services, and client service/support. The successful Respondent must demonstrate the ability to deploy automated solutions, and its electronic interfaces (web-based applications and its ability to establish separate connectivity methods) are of particular importance.

The successful bidder or bidders' client servicing philosophy is expected to be best in class and incorporate the industry's best practices. The SBA expects to be assigned a specific client service member who is knowledgeable, experienced, and a responsive individual.

The successful Respondent must develop a transition plan which is designed to provide for a smooth transition with no disruption in the SBA's operations.

The SBA has provided a listing of various service requirements in Appendix II and requires that proposal Respondents clearly indicate their acceptance of the various service requirements listed by checking off the accompanying box. A clear explanation must accompany any item for which an affirmative representation cannot be made.

An individual authorized to bind the proposing institution to these service requirements must sign and date the affirmation of service requirements in Appendix II. A signed copy of this exhibit and any explanations must accompany submitted responses.

SECTION III – REQUIRED INFORMATION

The purpose of this section is to identify the information that should be submitted in response to the ITN, and the order in which it should appear in the proposal response package. Each proposal response package should include the following, in the order listed below:

A. Cover Letter

The proposal shall contain a cover letter addressed to the designated contact identifying the Respondent's name and principal address. Provide the name, telephone number and email address of a person authorized to represent the Respondent regarding all matters related to the proposal. The letter shall explicitly affirm the following:

1. The Respondent has the current capability to provide the proposed services.
2. The Respondent has reviewed the minimum qualifications and meets the eligibility criteria set forth in Section I, subsection C of this ITN.
3. The Respondent has thoroughly reviewed the ITN.
4. The Respondent acknowledges and accepts all terms and conditions included in the ITN.
5. A person authorized to bind the Respondent to all commitments made in its proposal is the signatory of the letter.

B. Services Questionnaire

The Respondent shall complete and submit the Services Questionnaire attached hereto as Appendix I. When completing the questionnaire, the Respondent must give clear, concise, quantifiable replies to all questions, restating each question in bold face type and using no smaller than 12 point font, with its response directly below. The length of the response is at the discretion of the Respondent; however, responses are expected to be brief, to contain full and fair disclosure of essential elements, and should not be redundant or contain references to an appendix or attachment. Tables and graphs are exempt from the font requirement, but must be readable. Any omitted or incomplete responses may eliminate a Respondent from evaluation.

C. Service Requirements Affirmation Statement

The response shall include a signed copy of the Service Requirements Affirmation Statement attached as Appendix II.

D. Financial Information

The response shall include your firm's audited financial statements for the last three years. The financial statements must include the auditor's report and any management letters which have been issued. The response shall include a copy of the most recent Type II SAS 70 for services related to this ITN.

E. Fee Proposal (Separate Document)

Attachment 1, section (b), shall be utilized by Respondents to submit their fee proposal. Any other form may not be accepted by the review team. Any elaboration or explanation of the fee proposal shall be attached as a separate document. Respondents are encouraged to provide the SBA with their most competitive price offered to large institutions.

F. Notice of Legal Proceedings

- a) Each Respondent shall disclose any and all known or threatened material lawsuits, legal or administrative proceedings or governmental investigations, criminal actions or law enforcement activities (including those by federal, state or local authorities, or self-regulatory organizations) or non-routine Securities and Exchange Commission inquiries or investigations relating to Respondent or any of Respondent's affiliates, including any proceedings to which Respondent, its affiliates, or any of their respective officers, directors or employees, is a named party or of which any of such has been the focus. Is Respondent aware of any activities of its firm, its affiliates, or their respective officers, directors or employees, that are likely to result in any of the above investigations or proceedings?
- b) Please list and describe any such proceedings or actions that have occurred in the last two years, including whether Respondent or any of its affiliates, or their respective officers, directors or employees has been censured by any regulatory body.
- c) In the last two years, has Respondent, its principals or any of Respondent's affiliates submitted a claim for errors and omissions, fiduciary liability and/or fidelity bond insurance coverage? If yes, please explain and provide details.

SECTION IV – RESPONSE REQUIREMENTS

The purpose of this section is to indicate the terms and conditions that will govern the submission and review of proposals made in response to the ITN. The firm(s) selected to provide services, as part of the ITN process, will be required to enter into a contract with the SBA.

A. Completeness

A response must be complete as to all terms and conditions, including the appendices, on the date submitted. Additional information submitted after the response document or separate from the response document will not be considered unless specifically requested by the SBA and then only to the extent requested. Incomplete responses may be eliminated from further consideration.

B. Requests for Modification of a Response

A Respondent to this ITN may withdraw and modify its response prior to the response deadline specified in “E” below, only upon prior approval by the SBA. A request for modification of any response must be in writing and addressed to Ms. Lori Guido at the delivery address set forth in “G” below and must adequately explain the reasons for the request to modify the response. If the SBA approves the request, a modified response may then be submitted. The SBA will not consider modifications offered in any other manner, whether oral or written. Under no circumstances may the Respondent modify a response unilaterally at a date or time subsequent to the response deadline specified in E. below. The SBA may, however, permit any Respondent to modify its response after the deadline specified in E. below, if the SBA determines that such modification is in the best interests of the SBA.

C. Respondent Guarantees

All terms and conditions submitted in response to the ITN (all parts) must be guaranteed to remain effective and may not be changed, amended, modified, qualified, or otherwise altered by the selected Respondent(s) for a period beginning on the date of the response filing deadline for this ITN, and ending at the conclusion of the contract. All fees and charges, as proffered in response to this ITN must be guaranteed for the term of the contract.

D. Requests for Clarification of the ITN

All questions regarding the clarification of any requirement, standard, or question in this ITN because of any ambiguity, conflict, discrepancy, omission or other error, must be received by the SBA no later than **5:00 p.m. EDT on May 28, 2010**.

Requests for clarification should be sent via e-mail to lori.guido@sbafla.com or to the delivery address, as provided in G. below.

The SBA reserves the right to accept or reject any or all requests for clarification, either in whole or in part, and may require requests to be clarified or supplemented through additional written submissions. Respondents will be notified of the rejection of their request for clarification.

Oral requests for clarification will not be accepted.

Written requests for clarification accepted by the SBA, along with the corresponding responses, will be posted on the SBA website at www.sbafla.com under “Vendors”. Respondents unable to download responses should direct their requests for hard copies via e-mail to lori.guido@sbafla.com, or the delivery address, as provided in G. below. Such responses shall be considered an addendum to and, as such, an integral part of this ITN.

The SBA does not guarantee the validity or reliability of information obtained from other sources. If it becomes necessary to revise any part of this ITN, an addendum will be posted on the SBA website at www.sbafla.com under “Vendors,” and may be provided directly to the Respondents/Finalists. The Respondent is responsible for checking the website for any addendums or updates.

E. Response Deadline

All responses must include the completed items listed in Section III of this ITN. The response deadline for this ITN is **5:00 p.m. EDT, June 18, 2010**. For the items listed in Section III, A, B, C and E, submit ten bound copies of your response, an unbound original document, and an electronic copy of your response on a CD in PDF format. For the item listed in Section III, D only four copies are required. Submit these responses to the premises of the SBA at the delivery address as provided in “G” below. Facsimile and electronic transmissions are not acceptable. All responses must be submitted in a sealed envelope or box and must be marked “ITN for Treasury/Banking and/or Custody Services”. The SBA accepts no responsibility whatsoever for failure to deliver or late delivery by postal or commercial courier services. Failure by the postal or commercial courier services to meet the response deadline may result in disqualification.

F. SBA Not Liable for Respondent’s Cost

The SBA shall not be liable or responsible for any costs incurred by any Respondent for preparing and submitting any response to this ITN, attending any oral interview or hosting any on-site visit, if necessary, or for any other activities or occurrences related in any way to this ITN on or prior to the issuance of a contract. The SBA shall pay all costs incurred by the selected Respondent(s) after the issuance of the contract in accordance with the applicable compensation schedule as agreed upon by the SBA and the successful Respondent(s). The SBA will not pay expenses and costs incurred outside the scope of the applicable compensation schedule.

G. Delivery Address

Lori Guido
State Board of Administration of Florida
1801 Hermitage Boulevard, Suite 100
Tallahassee, Florida 32308
Email: lori.guido@sbafla.com

H. Respondent’s Responsibility

Each Respondent should familiarize itself with the service requirements and the work to be performed before submitting a response. All responses shall remain valid and binding for at least 180 days from the date of submission.

I. Oral Interview

Respondents that submit a proposal in response to this ITN may be required to conduct an oral interview with respect to their responses to the SBA. Should oral interviews be entertained, each selected Respondent will be given an opportunity to clarify or elaborate on its response. The SBA will determine the occurrence, date, time, and location of such presentation(s) if needed.

J. Disclosure of Response Contents

All material submitted by Respondents shall become the property of the SBA and will not be returned. Responses submitted may be reviewed and evaluated by persons designated by the SBA, in its sole discretion. Each Respondent understands and agrees that all documents and records made and received by the SBA in connection with this ITN or any official business of the SBA are public records and must be furnished and disclosed to any person under a request to inspect or copy such documents or records, pursuant to Chapter 119, Florida Statutes. If information is provided that could reasonably be ruled a “trade secret” as defined in Section 812.081, Florida Statutes, include such information in a separate attachment clearly marked – “Trade Secret Information.” Include a table of contents within this attachment with a detailed listing of and explanation for EACH item marked as a “trade secret.” Designation of items as “trade secret” by Respondents is not dispositive and does not guarantee that the items will not ultimately be disclosed pursuant to Chapter 119, Florida Statutes. Florida places a high priority on the public’s right of access to governmental meetings and records. By submitting a response, each Respondent further understands and agrees that the SBA shall have the right to use any and all information, records, documentation, or items, including any derivation or adaptation thereof or knowledge gained thereby, presented by any Respondent in any response, during any oral presentation, or otherwise in connection with this ITN in negotiating and entering into any contract or for any purpose. The SBA shall have such rights regardless of whether the SBA enters into any contract with such Respondent or any Respondent under this ITN, successfully negotiates any contract with any Respondent, rejects any or all responses to this ITN, amends or withdraws this ITN at any time, or otherwise satisfies its needs through alternative means.

K. Right to Amend and/or Withdraw

The SBA, in its sole discretion, reserves the right to amend or withdraw this ITN at any time and for any reason. Issuance of this ITN in no way constitutes a commitment by or obligation of the SBA to enter into any contract, and the SBA may, in its sole discretion, reject all responses to this ITN for any reason whatsoever.

L. Rejection of Responses

The SBA will be the sole judge of the Respondent’s responsiveness to the ITN and reserves the right to reject, in whole or in part, any or all responses, with or without cause, without incurring any liability whatsoever. The SBA may also waive any material or immaterial defect in a response or deviation from the requirements of this ITN. Any waiver exercised under this section will not modify any provision of this ITN.

M. Contract Execution

After selection of the finalists, the SBA will enter into contract negotiations with the selected Respondent(s) to finalize terms, fees, and conditions. This ITN and the selected Respondent(s)

proposal(s), or any part thereof, may be included in and made a part of the final contract. The resulting contract and all attachments shall be considered a public document.

If, in the sole opinion of the SBA, an acceptable contract with the selected Respondent or Respondents cannot be reached, the SBA reserves the right to negotiate with the next preferred Respondent or to take any other actions, in its sole discretion, as contemplated by this ITN.

N. Contract Term

The term of the contract will be for five years.

O. False or Misleading Statements

Any response which contains false or misleading statements, or which provides references which do not support an attribute, condition, or capability claimed in the response document, will not be considered by the SBA if, in the opinion of the SBA, such false or misleading statement was intended to mislead the SBA in its evaluation of the response.

P. Collusion

By responding, the Respondent represents that the proposal is not made in connection with any competing Respondent submitting a separate response to the ITN and is in all respects fair and without collusion or fraud. It is further represented that the Respondent did not directly or indirectly induce any party to submit a false or sham proposal or to refrain from proposing. In addition, the Respondent represents that it did not participate in the ITN development process, had no knowledge of the specific contents of the ITN prior to its issuance, and that no employee of the SBA participated directly or indirectly in the Respondent's proposal preparation.

Q. Conflicts of Interest

The Respondent must disclose within its proposal whether any officer, director, employee, or agent is also a current or former employee of the SBA or any members of the Board of Trustees. All Respondents must further disclose any factors, financial or otherwise, known to them which may give rise to an actual, potential or perceived conflict of interest between the Respondent and the SBA and its employees, or have the effect of impacting the ability of the Respondent to meet its responsibilities, duties, and obligations to the SBA, as set forth in this ITN.

R. Quiet Period

The Respondent (its agents, officers, principals, and employees, including any individual assisting the Respondent in this process) will not engage in any written or verbal communication during the "selection period" (defined below) with the SBA (including the Executive Director of the SBA, the Evaluation Team, any SBA employee, whether or not such individual or employee is assisting in the selection of the Respondent) or any member of the Board of Trustees or their respective staff, consultants or managers regarding the merits of the Respondent, or regarding whether the SBA should retain or select the Respondent. An exception is given for the Procurement Manager and designated members of the Evaluation Team and Negotiation Team. Any unauthorized contact may disqualify the Respondent from further consideration. Normal business communications are allowed for current SBA service providers who are also ITN respondents.

The Respondent will not engage in any lobbying efforts or other attempts to influence the SBA, the Executive Director of the SBA, the Evaluation Team, SBA employees, or any member of the Board of Trustees or their respective staffs, consultants or managers, in an effort to be selected. Any and all such efforts made by the Respondent or its agents, officers, principals, employees, or lobbyists will be disclosed to the Executive Director of the SBA within five calendar days of its becoming known.

The "selection period" for this ITN begins on May 21, 2010 and will continue until the final selection has been announced or the selection process is otherwise concluded.

Nothing herein shall preclude the SBA from seeking clarification about the substance of the response to the ITN within the time frame as provided herein. Nothing herein shall preclude a Respondent from seeking a request for clarification as provided herein.

S. Further Instructions and Conditions

1. All responses to this ITN must conform to these instructions. Failure to conform may be considered appropriate cause for rejection of the response.
2. Terms and conditions of the ITN – Submission of a response indicates the Respondent's acceptance of the conditions contained in this ITN, unless clearly and specifically noted in the response submitted and confirmed in the contract between the SBA and the Respondent selected.
3. Conformance with statutes – Any contract awarded as a result of this ITN must be in full conformance with statutory and other legal requirements of the State of Florida and the U.S. government.
4. Timing and sequence – The timing and sequence of events resulting from this ITN will be determined solely by the SBA, and may be modified by the SBA in its sole discretion.
5. Oral agreements – Any alleged oral agreement or arrangement made by a Respondent with the SBA or any employee of the SBA shall be superseded by the written contract between the SBA and such Respondent.
6. Amending or canceling requests – The SBA reserves the right to amend or cancel this ITN, prior to the due date and time, at its sole discretion.
7. Rejection for default or misrepresentation – The SBA reserves the right to reject the response of any Respondent that is in default of any prior contract, for misrepresentation or otherwise, as may be determined by the SBA (or its designate), in its sole discretion.
8. Clerical errors in awards – The SBA reserves the right to correct, in its sole discretion inaccurate awards resulting from its clerical errors.
9. Respondent's presentation of supporting evidence – A Respondent, if requested, must be prepared to present evidence of experience, ability, service facilities, and financial standing necessary to satisfactorily meet the requirements set forth or implied in its proposal.
10. Right to reject previous vendors – The SBA reserves the right to reject a proposal by a Respondent that has previously provided work to the SBA or whose personnel includes individuals previously rejected by the SBA for services.
11. Corrections and changes – Any corrections or changes to this ITN will be issued by the SBA, will be identified as a correction or change, and will be posted on the SBA website.

Corrections or changes made in any other manner will not be binding. It is the responsibility of the Respondent to obtain all corrections and changes.

12. Dispute Resolution – The contract shall not include binding arbitration provisions, such as those typically found in Alternative Dispute Resolution Procedures.
13. Respondent’s Credentials – The SBA may make such investigations, as deemed necessary, in its sole discretion to determine the ability of the Respondent to perform the services specified in this ITN. The SBA reserves the right to reject any response if the evidence submitted by, or investigation of, the Respondent fails to satisfy the SBA that the Respondent is properly qualified to carry out the obligations of the contract.
14. Proposal Content and Format – In determining the capabilities of a Respondent to perform the services specified herein, the information required in this ITN must be provided by the Respondent and will be weighed by the Evaluation Team as indicated in the evaluation process. **(Note: Each requirement must be thoroughly addressed. Taking exception to any requirement listed in the ITN may disqualify Respondent and its response, in the SBA’s sole discretion.)**

SECTION V – EVALUATION CRITERIA

Criteria:

The responses to this ITN that satisfy the minimum qualifications set forth in Section I, subsection C of this ITN will be independently evaluated by an evaluation team (the “Evaluation Team”) on the basis of the written responses to this ITN and additional written information as requested. Additionally, oral interviews and on-site reviews will be evaluated by the Evaluation Team if they are determined to be necessary, in the Evaluation Team’s sole discretion. The Evaluation Team will utilize the following broad scoring categories:

Respondent’s Experience, Qualifications and Resources	20%
Review of Respondent’s Services	20%
Review of Respondent’s Technology	30%
Quality and Clarity of Response	10%
Fee Proposal	20%
Total	100%

The Evaluation Team will review the responses and assign a score for each category for each Respondent. The scoring by each member of the Evaluation Team will be aggregated to establish an overall ranking by the Evaluation Team. Using the scoring and evaluation process, the Evaluation team may, in its discretion, designate firms for oral interviews and/or to host site visits. Commitments made by the Respondents at the oral interviews will be considered binding. The final scores for the Respondents will be compiled by using information and materials obtained during oral interviews and site visits, if conducted. This final scoring may take into consideration any such information, evidence, capabilities or revisions to services that, in the judgment of the SBA, demonstrate a finalist as being best qualified to provide the necessary program services to the SBA.

The Evaluation Team then may present the final scores and/or rankings to the Executive Director with a recommendation that the SBA enter into one agreement. The Executive Director shall have the sole authority, in his discretion, to determine whether the SBA will enter into any agreement with any Respondent and to make all final decisions regarding the matters contemplated by this ITN.

The SBA will not be required to select the lowest-cost Respondent.

SECTION VI – TIMELINE

The timeline of the search and evaluation process as currently planned (subject to change at the sole discretion of the SBA without liability) is as follows:

ITN Time Schedule and Deadlines (by 5:00 pm Eastern Daylight Time)

Issuance of ITN	May 21, 2010
Requests for Clarification	May 28, 2010
Responses to Requests for Clarification	June 4, 2010
ITN Response Deadline Date	June 18, 2010
Selection of Finalist(s)	June 25, 2010
Interviews at SBA (if necessary)	July 12-14, 2010
Final Selection by SBA	July 16, 2010

Note: The SBA reserves the right, in its discretion, to change the ITN Timeline. Changes will be posted on the SBA website under “Vendors,” and may be provided directly to the Respondents/Finalists.

Appendix I: Services Questionnaire

Responses to each item below should appear in the same order as listed in this ITN. Please restate each item at the beginning of an answer. Response should be limited to no more than thirty pages using 12 or larger type font. The SBA requires direct answers to each item and does not require generalized marketing information.

General Questions

A. Company Background

Firm name:

Contact person (name, title):

Address:

Telephone /fax:

E-mail /website:

- B.** Describe your company, how it is organized and the resources it has available to perform a review as generally defined in this ITN. Describe the ownership structure, including subsidiary and affiliated companies, and joint venture relationships. Has there been, or is there planned, any material change in ownership or structure?
- C.** Describe any experience your company has in providing similar services to other large public pension funds or investment management service providers within the last three years. Where possible, provide the name, address, and phone number of the client and key contact.
- D.** List the names and titles of the professionals who would actually provide daily support. Include credentials, specific experience, any special expertise and information concerning the education, position in your company, and years with your company.
- E.** Provide an executive summary which identifies any services to be provided which are beyond those specifically requested. If your company proposes to provide services that do not meet the specific requirements of this ITN, but in the opinion of your company are equivalent or superior to those specifically requested, any such differences must be expressly noted. However, the company should recognize that a proposal that does not respond to the specific services requested might be subject to disqualification.

- F.** Describe why your firm's service offering is superior to the services offered by your competition. Clearly define your competitive advantages in this function.
- G.** Describe any litigation relating to the business or other activities of your company which either began within the last two years or which began earlier and is still ongoing or has been threatened but is not currently pending. Indicate whether your company in general or specific officers or principals, in particular, has or have been sued or threatened to be sued within the time frame set forth above. Provide detail regarding the allegations of the complaint, whether multiple parties are involved and the current status including any discovery (e.g., document production or depositions), preliminary hearings, scheduled dates for mediation, arbitration, or trial. If the matter is on appeal, provide details on the current status (e.g., briefs filed, oral argument scheduled).
- H.** Describe the levels of coverage for errors and omissions insurance and/or professional liability insurance your company carries. List the insurance carriers, insurance type, and coverage amounts.
- I.** Explain in detail any potential for conflict of interest that would be created if your company provided services for the SBA. Include any activities of affiliated, subsidiary or parent organizations as well as other client relationships that might inhibit services to the SBA. Please disclose any business relationships and/or financial arrangements with any compliance system provider or investment manager that currently provides, or might be eligible to provide, compliance or investment management services to the SBA.
- J.** Provide any other information that you believe would be of value to the SBA in the selection process.
- K.** The SBA supports and encourages diversity and participation of small and minority business enterprises in contracting. In order to identify minority or woman-owned businesses or other firms which actively pursue providing opportunities to women and minorities, provide the following information. Indicate if your firm is a minority-owned business or a woman-owned business and identify the principal shareholders who qualify your firm. Indicate the percentage of professionals within your firm who are minorities or women and list the number and positions of such professionals. Provide a list of the names and positions of any minority professionals who will be working under this contract. Provide a brief description of your firm's minority hiring/affirmative action program.

Services related specifically to State Board of Administration

- A.** Describe your on-line treasury system infrastructure and security controls related to:
- Client directed administrative responsibilities
 - Wire processing
 - Repetitive wire template set up and storage including any bank maintained options
 - Outgoing ACH batch processing
 - Incoming ACH from 3rd parties
 - Positive Pay
 - Controlled disbursement
 - Stop payment
 - Lockbox service
 - Reports
- B.** Discuss options related to batch wire and/or ACH processing utilizing bank stored templates (preferably accepting our file in an EDI 820 format).
- C.** Discuss the ability to provide an electronic file to the SBA in an acceptable format reporting ACH deposits received from a 3rd party.
- D.** Connectivity (e.g., file transfers/exchange,...) between the SBA and its chosen business partners will occur via Site-to-Site (Layer3 IPsec) VPN connection. Please comment.
- E.** Discuss your ability to receive executed trades via Bloomberg's Trading Book.
- F.** Are you aware of other clients that interface Oracle's PeopleSoft with your system to capture data?
- G.** Discuss options related to the compensating credits process and calculations.
- H.** Discuss options related to end of day sweep of idle balances.
- I.** Explain your contingency procedures for internet interruptions.

Appendix II: Service Requirements - Affirmation Statement

By inclusion and execution of the statement provided herein, each Respondent shall certify that:

- ❑ The selection of the Respondent will not result in any current or potential conflict of interest with the SBA or a participating insurer. Alternately, should any potential or existing conflict be known by the Respondent, the proposal shall specify the party with which the conflict exists or might arise, the nature of the conflict and whether the Respondent would step aside or resign from that engagement creating the conflict.
- ❑ The proposal is made without prior understanding, agreement, or connection with any corporation, Respondent, or person submitting a proposal for the same services, and is in all respects fair and without collusion or fraud.
- ❑ The selection of the Respondent will not violate Section 215.684, Florida Statutes, which prohibits the State from selecting certain providers that have been convicted of or entered a plea of nolo contendere to fraud within a period of two years of such conviction.
- ❑ The Respondent and the agents, officers, principals, and professional employees thereof have not and will not participate in any communication prohibited in this ITN.
- ❑ The Respondent's responses to the ITN are those of the Respondent and have not been copied or obtained from any other Respondent responding to any other ITN or competitive proposal whether in Florida or elsewhere either in the past or present.
- ❑ The Respondent meets the Minimum Qualifications set forth in Section I, subsection C of the ITN.

The Respondent hereby agrees to abide by all conditions of this ITN for Treasury/Banking and/or Custody services, and I hereby certify that all information provided in this response is true and correct, that I am authorized to sign this response for the Respondent and that the Respondent is in compliance with all requirements of this ITN, including but not limited to, requirements in this exhibit.

Authorized Signature (Manual)

Name and Title (Typed)

Date (Typed)