

OFFICE OF THE TREASURER

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**STATE OF CALIFORNIA
STATE TREASURER'S OFFICE**

**REQUEST FOR PROPOSAL
FISCAL AGENT SERVICES
RFP NO. SA000003-17**

June 15, 2017

TO: All Interested Parties

The State Treasurer's Office ("STO") is requesting proposals for fiscal agent services pursuant to this Request for Proposal ("RFP") No. SA000003-17.

Proposals for these services must comply with the instructions included in the RFP. The RFP includes the Sample Standard Agreement the selected firm will be expected to execute. The agreement that will be entered into with the State of California ("State") will include by reference the General Terms and Conditions and Contractor Certification Clauses which may be viewed and downloaded online at <http://www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx>. The General Terms and Conditions are not negotiable. By submitting a proposal, your firm agrees to the terms and conditions stated in this RFP.

Any questions regarding this RFP may be submitted in writing by e-mail to sto@treasurer.ca.gov no later than June 20, 2017. Please include "RFP-Fiscal Agent" in the subject line of any e-mails submitted. Further information regarding the submission of questions is included in Section IV B of the RFP.

Responses to this RFP must be received by **June 30, 2017 at 4:00 p.m. Pacific Standard Time ("PST")** at the below address. Faxed and electronic submissions will not be accepted.

State Treasurer's Office
Public Finance Division
Attn: Trustee Team
915 Capitol Mall, Room 261
Sacramento, California 95814

Responses received after June 30, 2017 at 4:00 p.m. will not be accepted. It is the STO's protocol that firms (and their agents) are to refrain from advocating or inquiring about the status of this selection process unless contacted by the STO. Failure to adhere to this protocol may result in disqualification. Thank you for your interest in our program.

**STATE OF CALIFORNIA
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I. PURPOSE AND DESCRIPTION OF SERVICES

A. Purpose

The Treasurer of the State of California serves as registrar and paying agent for certain bonds issued by the State of California ("State") and agencies of the State. The State Treasurer's Office ("STO") requests the services of a fiscal agent to provide the registrar and paying agent services described in this Request for Proposal ("RFP") for previously issued bearer, registered bearer, and fully registered bonds **maturing on or after January 1, 2007**. Fiscal agent services are not being sought for bonds serviced by the State held in book-entry form with the Depository Trust & Clearing Corporation ("DTC"). The State does not expect to issue additional bonds for which fiscal agent services will be required. The selected fiscal agent will be awarded a contract for five years with an option for two one-year extensions.

The fiscal agent will perform the required services related to various issues of the following types of bonds:

- General Obligation Bonds,
- State Public Works Board Lease Revenue Bonds,
- Department of Water Resources Revenue Bonds, and
- California Housing Finance Agency Housing Revenue Bonds.

B. Description of Existing Portfolio

The STO has a large portfolio of bonds for which fiscal agent services are being sought. Below is a description of the existing portfolio as of March 31, 2017.

(1) Bearer Bonds

There are twenty-one (21) separate programs of bonds outstanding in bearer form with a total aggregate principal value of approximately \$71.5 million. The outstanding bearer bonds were issued from 1964 to 1983. Many of the bearer bonds are non-callable. The final maturity date of the bearer bonds occurs in 2022; however, a large number of the bearer bonds will mature prior to that date. There are 14,308 bearer bonds in circulation. A listing of the aggregate number of bearer bonds and the number of separate bond programs outstanding is provided in Table I under Section VII. The bearer bonds are eligible for conversion, at the bondholder's option, into registered bonds upon exchange of the bearer bond for a fully registered bond as described immediately below.

(2) Registered Bearer Bonds

The STO has actively encouraged bondholders to convert bearer bonds to registered bonds. Upon conversion, the underlying bearer bond is held in vault custody. The STO/current fiscal agent will transfer the registered bearer bonds currently held in vault custody to the fiscal agent for safekeeping as the registrar and paying agent duties on these bonds are transferred. All 21 bearer bond programs have been partially converted to registered bearer bonds. The total aggregate principal value of registered bearer bonds is approximately \$86 million. The number of registered bearer bonds outstanding is 1,176. The final maturity date of the registered bearer bonds occurs in 2022. A listing of the aggregate number of registered bearer bonds and the number of separate bond programs outstanding is provided in Table I under Section VII. Bondholders have the option to convert registered bearer bond back to the original true bearer bond(s) held in vault custody.

(3) Fully Registered Bonds

There are fifty-three (53) separate programs of bonds outstanding in fully registered form with a total aggregate principal value of approximately \$2.8 million. The number of fully registered bonds outstanding is 209. The current fiscal agent maintains the registration records for these bonds and processes changes in registered owners as required. There were 195 active bondholder accounts in the registration system as of March 31, 2017. A listing of the aggregate number of fully registered bonds and the number of separate bond programs outstanding is provided in Table II under Section VII.

(4) Matured Series with Unpresented Bonds & Coupons

There are seventy-seven (77) separate programs of bonds that have matured but have bonds and coupons unpresented for payment. These matured bonds will continue to be part of the fiscal agent portfolio until all the unpresented bonds and coupons are either redeemed or escheated. These matured bonds and coupons have a total aggregate principal value of approximately \$18.9 million. A listing of the aggregate number of matured but unpresented bonds and coupons and the number of separate bond programs is provided in Table III under Section VII.

C. Recent Paying and Registration Activity

The below table provides the registrar and paying agent activity on the existing portfolio of outstanding bonds for the last three years. The table is intended to provide potential proposers with a presentation of historic activity and does not imply the same level of activity will occur in the future.

Activity	2014	2015	2016
Changes of Ownership	41	29	21
Checks Issued	9,953	8,526	6,271
Fed Wires	595	501	607
Electronic Fund Transfers	56	71	52

D. Existing Fiscal Agent Services

The STO currently has one firm performing the requested fiscal agent services on the existing portfolio. Following the selection of the fiscal agent, the STO expects the transfer of duties, if applicable, to occur on September 1, 2017.

E. Phase-In of Transfer of Fiscal Agent Duties

The STO expects to phase-in the transfer of bond issues to the selected fiscal agent over a period not to exceed 30 calendar days. It is expected that the existing portfolio will be transferred by September 30, 2017.

Safekeeping responsibilities for registered bearer bonds will be transferred to the fiscal agent effective September 1, 2017. Currently, there are approximately 17,199 bearer bonds that have been converted into registered bond form.

F. Available Information

If selected as the fiscal agent, the following information would be made available from the STO and/or existing fiscal agent in physical or electronic form:

- (1) A complete copy of each of the resolutions, indentures, and other documents defining the terms of the bonds and the rights of the holders of the bonds;

- (2) The series, CUSIP, redemption, and maturity data for the bonds (including total amounts originally issued and currently outstanding, interest rates, bond types, principal amounts, call provisions, maturity dates, and interest payment dates);
- (3) The bond data for unregistered bearer, registered bearer, and fully registered bonds (including bond numbers, maturity dates, principal values, and registration status);
- (4) Original certificates for all registered bearer bonds;
- (5) The bearer bond interest coupon data (including payment dates, interest amounts, and coupon numbers);
- (6) The bondholder data (including names, payment addresses, correspondence addresses, tax identification numbers, and bonds held);
- (7) The current "stop file" or "lost securities file" pertaining to lost, stolen, or destroyed bonds;
- (8) The calendar year-to-date tax records and payment records;
- (9) A STO certificate containing the name, title, and true signature of each person authorized by the STO (the "Authorized Persons") to take action on behalf of the STO under this fiscal agent agreement ("Agreement");
- (10) The record of matured and called bonds that have not been presented for payment; and
- (11) Arrangement for funds associated with the matured and called bonds that have not been presented for payment referred to in paragraph (10) to be transferred and made available for future presented payments.

G. Description of Scope of Work

The selected fiscal agent shall have duties with respect to the bonds as follows.

- (1) Paying Agent
 - (a) Make timely and accurate payments of principal, interest, and redemption premiums.
 - (b) Promptly process interest coupons and matured bonds received by mail, by courier, and in person from bondholders, banks, and other intermediaries; complete processing for the payment of principal and interest within 72 hours after documentation is complete or complete processing for the payment of principal and interest under paragraph (h) below within 72 hours after documentation is complete.
 - (c) Verify authenticity of coupons and bonds presented for payment.
 - (d) Cancel (by perforation, if required by law) paid coupons and bonds. State law currently requires the use of perforation to cancel General Obligation bonds.
 - (e) Cancel matured bearer bond stock and attached coupons held in safekeeping. The State requires that all cancelled bond stock be shipped to the STO for destruction. The STO has the option to request the fiscal agent in writing to destroy the above mentioned stock.
 - (f) Send registered bondholders of record written notices informing them of maturing bonds 30 days prior to the maturity date.
 - (g) Mail checks to bondholders requesting checks for payment. Checks are to be mailed on the payment due date.
 - (h) Wire electronic funds transfer (EFT) to bondholders requesting wire payment. Funds are to be wired on the payment due date.

- (i) In-person payments are to be made to bondholders by check on the payment due date or on the day presented if the day presented is after the maturity date or early redemption date.
- (j) Honor bondholder presentation of bonds and coupons for payment. If funds are escheated back to the STO, the fiscal agent will send bonds and coupons back to the bondholder and refer the bondholder to the STO for payment.
- (k) Remit unclaimed funds to the STO when formally requested in writing by the STO.
- (l) The fiscal agent shall furnish the STO with an aging schedule within ten days after the end of each month showing all un-cleared checks and failed EFT payments issued against State funds. Checks that are un-cleared after one year will be deemed canceled. After cancellation, the bondholder may request the fiscal agent to issue a check replacement. Any replacement checks issued can only be valid for one year after issuance.
- (m) If any funds are remitted to the STO, a list of the bondholder's names, addresses, and descriptive bond information associated with the funds will be provided in an electronic format acceptable to the STO.

(2) Registrar

- (a) Maintain an accurate and complete register for each program of bonds.
- (b) Promptly process transfers of ownership of registered bonds and registered bearer bonds. Transfers of ownership are to be completed within 72 hours after satisfactory documentation has been received.
- (c) Promptly register and deregister bearer bonds. Such transactions are to be completed within 72 hours after satisfactory documentation has been received.
- (d) Serve as custodian for bearer bonds that have been converted to fully registered status and facilitate any future conversions back to bearer status.
- (e) Maintain an adequate supply of bond stock, silvering existing bond stock if necessary, to ensure sufficient availability.
- (f) Process all bond calls and redemption related transactions, including preparation, mailing or publication of call notices, selection of bonds for redemption, required notifications pursuant to bond documents, payment of redeemed bonds, and posting of call notices on Municipal Securities Rulemaking Board's EMMA website, all in accordance with the bond documents and/or disclosure requirements.
- (g) Process all other customary registrar transactions as required, such as stop transfers and stop payments on lost, stolen, or destroyed bonds, and make any required regulatory filings about lost, stolen, or destroyed bonds.

(3) Reporting Requirements

- (a) Prepare individual Form 1099 for each bondholder receiving a payment of principal for the Internal Revenue Service (with a copy for the State Franchise Tax Board if required).
- (b) During the fiscal agent's normal business hours, provide the STO with online access to the fiscal agent's records relating to the State's bonds and to all bank accounts holding State funds hereunder.
- (c) Prepare monthly reports to the STO within ten calendar days after the end of each month in the format requested by the STO. At a minimum, the reports shall include a summary of all activity by program, series, and maturity, a monthly bank statement, and a daily cash balance for the month.
- (d) Provide the STO at least annually with a copy of an internal or external audit report of the fiscal agent's registration and paying agent business.
- (e) Provide the STO within five days after the end of each month with a report that lists the amount of bonds outstanding (bonds that have not yet matured

- or have been called for redemption) by series as of the end of the previous month. (Example: report due by May 5th for data as of April 30)
- (f) Provide the STO within five days after the end of each month with a report that lists the number of checks and amount of each check that remain uncashed by bondholders and by issue date as of the end of the previous month. (Example: report due by May 5th for data as of April 30)

(4) Miscellaneous Requirements

- (a) Destroy canceled coupons and bonds and provide certificates of destruction pursuant to instructions from the STO.
- (b) Replace lost or stolen bonds following the protocol specified in instructions from the STO.
- (c) Use reasonable efforts to locate bondholders to make payment if a check or wire transfer is returned.
- (d) Maintain records in accordance with all federal and State requirements including SEC regulatory guidelines and requirements.
- (e) Provide periodic notices to bondholders at the request of the STO.
- (f) Charge bondholders fees or service charges only as authorized by instructions from the STO.
- (g) Respond as promptly as practicable to bondholder inquiries.
- (h) Upon the request of the STO, verify the accuracy of required documents related to transferring ownership of registered bonds managed by the STO.
- (i) Maintain an accurate and complete "stop file" for lost, stolen or destroyed bonds.
- (j) Make all records available during the fiscal agent's normal business hours for, and otherwise cooperate fully in, any audits that the State elects to conduct of the fiscal agent's books and records pertaining to the fiscal agent's duties hereunder up to three years after the termination of the Agreement.
- (k) Comply with all applicable provisions of the California Public Records Act (California Government Code Section 6250 *et seq.*) and the California Information Practices Act of 1977 (California Civil Code Section 1798.80 to 1798.86 *et seq.*) and California Government Code Section 5060.
- (l) Upon the request of the STO, provide a report that lists the most current address for bondholders.

(5) Ability to Handle Walk-Up Payments

The STO currently allows bondholders to present bonds and coupons for payment in person at the STO. The fiscal agent will be required to accommodate walk-up payments by identifying a bank office located in downtown Sacramento where bondholders will be able to receive payment for validly presented bonds by the close of the business day, if requested. The bank office is not required to be an office of the fiscal agent's financial institution; a correspondent banking relationship is acceptable. The cost of providing the Sacramento branch location must be included as part of the total fee proposal submitted.

If a fiscal agent branch is not located in the Sacramento area, the STO will provide walk-up redemption services to bondholders during the STO's normal business operating hours. The fiscal agent will be required to provide blank checks and authorization to issue checks. In the event a bond(s) is presented, STO will contact the fiscal agent for a timely response to confirm validity. Same day checks will only be issued upon bondholder's request. All redeemed bond(s) will be sent to the fiscal agent with a copy of any presented check(s) and W-9 form.

(6) Separate Account, No Lien or Offset

- (a) The fiscal agent shall establish and maintain one or more bank accounts for the receipt and payment of funds hereunder. State funds held in each such account must be held in an eligible bank as defined by Government Code Section 16500 *et seq.*
- (b) Each account established by the fiscal agent under this Agreement shall be held separate and apart from all other funds of the fiscal agent and separate and apart from all other funds and accounts of the STO or of the State and shall be held in trust for the STO and shall be used solely per STO's instructions. The fiscal agent shall not have a lien on or any right of offset against any monies held in any such account.

(7) Investment of Funds in the Account

The STO will receive credit for all earnings on funds used for the payment of principal and interest from the time the funds are deposited with the fiscal agent until the recipient payment clears. It is required that all balances held by the fiscal agent, until such balances are actually drawn down after bondholder checks are presented to the fiscal agent for payment, will be available to generate earnings to the credit of the STO (e.g. the time the check is cashed and clears the account from which the check was drawn). This includes credit for the initial day's deposit of funds. Daily balances will include all collected funds held by the fiscal agent. These balances will also include the "float" resulted from uncashed registered and bearer bond interest checks. The fiscal agent will be required each month to provide a daily cash balance report for all accounts maintained under the Agreement and remit the earnings to the STO 10 days after the end of each month.

The STO requires that the earnings on the State's account shall be based on the monthly effective Federal Funds Rate published by the Board of Governors, Federal Reserve System. The measurement of equivalent earnings shall be calculated each month.

(8) Transfers of Funds to the Fiscal Agent

The fiscal agent shall request no later than 15 days prior to each scheduled payment date for funds to be deposited into such accounts in order to cover the payment of principal, interest, and redemption premium on each of the scheduled payment dates. The STO shall deposit in such accounts by wire transfer in same-day funds on that scheduled payment date by 10:00 a.m. PST, an amount equal to the requested deposit. No such account shall be debited until the bondholder's payment clears (e.g., the time the check is cashed and clears the account from which the check was drawn).

(9) Fund Collateralization

Deposited funds must be secured with collateral in an amount that is no less than 110% of the amount deposited with the bank, excluding any portion of the deposit insured in accordance with United States law.

Collateral Provisions:

- (a) Collateral Level: 110% of principal or such collateral levels as required by California Government Code Sections 16520 - 16522.
- (b) Frequency of Valuation: The securities will be valued by the STO at least monthly, and on any substitution or withdrawal date. Market values shall be derived from average bid-ask prices quoted by the Collateral Agent, Bloomberg or another nationally recognized pricing service that is mutually agreed upon by the STO and the proposer.
- (c) Cure Period: One (1) business day.

- (d) Substitution: Full substitution rights. Substituted securities must be Eligible Collateral (defined below).
- (e) Substitution/Withdrawal Notice: The fiscal agent shall notify the STO at least one (1) business day in advance of any additions, substitutions, or withdrawals of cash and/or book-entry securities. Third-party Collateral Agents may specify different notice requirements.
- (f) Collateral Agent: All collateral will be delivered to the STO for the account of the STO selected third-party Collateral Agent. The STO currently has approved Citibank N.A. as Collateral Agent to hold collateral. The STO may designate one or more other Collateral Agents or replace a Collateral Agent during the term of the collateral requirement.
- (g) Eligible Collateral: California Government Code Sections 16520 - 16522 indicates the types of securities that are acceptable as collateral. Eligible Collateral will be accepted with the approval of the STO.

In the event the fiscal agent pledges Eligible Collateral, it will have good and marketable title to such Collateral, free and clear of any lien or encumbrance thereon. This Agreement shall provide that, to the extent any Eligible Collateral is to be delivered by the fiscal agent, it shall be deemed to have represented and granted to the Collateral Agent, for the benefit of the STO, a first perfected security interest in such Eligible Collateral and in any and all proceeds of and distributions on such Eligible Collateral.

The fiscal agent will limit the securities pledged as Eligible Collateral to ten (10) items or less for each individual fund or account that is the subject of this Agreement. The fiscal agent must provide a full description (including security name, and description, pool number or series, rate, CUSIP, issue date, maturity date, amount/par, original face, and outstanding principal) of securities to be utilized by the STO.

(10) Transfer of Records upon Termination

On or before the date of termination of this Agreement, the fiscal agent will deliver to the STO, or to a successor fiscal agent as directed by the STO, documents and electronic files containing the information listed under paragraph F of this section and any other records in possession of the fiscal agent that the successor to the fiscal agent may reasonably request.

(11) Notices

All notices or other communications shall be given or made in writing and shall be delivered by mail (including electronic mail) or by fax. Any mailed notices should be sent certified or registered mail, postage prepaid, return receipt requested, and/or overnight delivery service.

II. MINIMUM QUALIFICATIONS

All proposers to this RFP must satisfy all of the following minimum qualifications to be given further consideration. Failure to satisfy all of the minimum qualifications will result in immediate rejection of the proposal.

- A. The proposer must be duly authorized to exercise trust powers and be subject to supervision or examination by federal or state authority.
- B. The proposer must have a combined capital and surplus of at least \$100 million. The STO will consider combined capital and surplus as stated in the proposer's annual report.
- C. The proposer must have a minimum of ten years of experience providing relevant fiscal agent services (payment and registration of bearer and registered bonds) to municipal or corporate clients (clients for which you service at least \$50 million in bearer and registered bonds).

- D. The proposer must have two current long-term credit ratings of at least A2 from Moody's Investors Service, A from S&P Global Ratings and/or A from Fitch Ratings.
- E. The proposer must be able to cancel General Obligation bonds as described in Section III C (4).
- F. The proposer must have an overall rating of not less than "satisfactory" in their most recent evaluation by the appropriate federal financial supervisory agency of the banks' record of meeting the credit needs of the communities in which the bank is located, including low and moderate income neighborhoods, pursuant to the Credit Reinvestment Act ("CRA") (Section 2906 of Title 12 of the United States Code).
- G. The proposer must provide safekeeping of bond stock and all physical payment and registration records. The proposer cannot subcontract this responsibility to another firm.
- H. The proposer must complete the California Taxpayer and Shareholder Protection Act of 2003 Certification (see Attachment 8). This form certifies the proposer is not an expatriate corporation and is eligible to contract with the STO.
- I. The proposer must agree to comply with the Darfur Contracting Act by completing Attachment 9 and submitting the executed certification to the STO at the time of proposal. The proposer must certify that it is not a "scrutinized" company as defined in Public Contract Code Section 10476, with regards to business activities or other operations outside of the United States.
- J. The proposer is required to certify that it is in compliance with the provisions of the Iran Contract Act of 2010 (Public Contract Code Section 2200, et seq.) by completing Attachment 10 and submitting the executed certification to the STO at the time of proposal. Specifically, the proposer is required to certify, at the time of submittal, that it is not on the current list of persons engaged in investment activities in Iran created by the California Department of General Services ("DGS") pursuant to Public Contract Code Section 2203(b).

III. PROPOSAL CONTENT

Proposals should include detailed responses to each of the following questions:

- A. General Information
 - (1) Provide documentation that demonstrates your firm is duly authorized to exercise trust powers and subject to supervision or examination by federal or state authority. (Minimum Qualifications, Section II A)
 - (2) Provide the name, office location, mailing address, telephone, fax number, and e-mail address of the main contact that will be assigned to the STO account.
 - (3) Provide year-end audited financial statements for the last three years. If the firm is owned by a holding company, identify the firm's majority owner and submit financial statements for both the firm and the holding company.
 - (4) If the firm is a subsidiary of a parent bank or holding company, indicate what type of guaranty the parent bank or holding company provides to the firm with respect to credit enhancement and operations of the firm and include a copy of any documents that effect or constitute that guaranty.
 - (5) Provide the firm's three most recent year-end paid-up capital and surplus balance. If the firm publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority, then for the purposes of this requirement, the combined capital and surplus of the firm shall deem to be its combined capital and surplus as set forth in its most recent report of condition so published. (Minimum Qualifications, Section II B)

- (6) Provide details of the firm's financial condition including its long-term credit ratings over the past three years and its most recent overall CRA rating. (Minimum Qualifications, Section II D & F)

B. Organization

- (1) Provide a description of how the firm will provide the fiscal agent services requested. This description should identify and provide a location for each of the relevant key personnel available to work on this assignment. Identify the office location(s) where the registrar and paying agent activities will actually be performed.
- (2) Provide brief resumes for each of the relevant key personnel identified above including their job classification, number of years employed by the firm, primary roles and responsibilities, and relevant experience.
- (3) Describe any significant changes or developments in your firm in the last three years (e.g., changes in ownership, personnel changes, new developments related to fiscal agent business).
- (4) Briefly describe what competitive advantages your firm possesses in the area of fiscal agency services.
- (5) Provide a brief explanation and indicate the current status of any litigation, investigation by a regulatory authority, contingent liabilities, or other legal proceedings involving the firm or any officer or principal of the firm over the past three years. Please include a description of all pending legal and regulatory activity involving the firm.
- (6) Submit the names, addresses, telephone numbers, and contacts of at least five clients for whom you provide fiscal agent, paying agent, bond transfer, and registrar functions. At least three of the five clients provided should be for a governmental issuer.

C. Operations and Scope of Services

- (1) Indicate the firm's proposed approach to utilizing the available information maintained by the STO and/or existing fiscal agent and describe the proposed processes associated with any data conversion, if required. (Refer to Section I F)
- (2) For paying agent and registrar services, provide a description of the firm's (a) payment functions, (b) registrar and transfer functions, and (c) stop payment, indemnity bond, claims, and customer service activities, along with a description of all applicable operations and policies related to (a), (b), and (c).
- (3) Describe the most cost-effective process you would recommend for silvering the approximately 17,199 bearer bond certificates with the name of the registrar.
- (4) Provide a detailed description of the method or the service employed by the firm for security destruction and stop payment process, issue of replacement certificates for mutilated, lost or stolen securities, and the proposed process of transfer cancellation and issuance of certificates. State law currently requires the use of perforation to cancel General Obligation bonds. Provide confirmation that the firm is able to comply with this requirement.
- (5) Provide a description of the firm's (a) cash management operations and policies, and (b) accounting, reporting, and internal controls.
- (6) Provide a discussion of the proposed accounting and performance reports and statements including detailed descriptions of each report and the frequency with which your firm could provide them. Samples of each report must be incorporated into the proposal submission. Indicate which of these reports could be provided electronically.

- (7) Submit SEC turnaround reports as required by Title 17, CFR 240.17 Ad-2 for the past 12 months and any equivalent reports prepared by the firm in support of the firm's municipal bond operations.
- (8) Describe the insurance coverage that would be applicable to this contract and the limitation of that coverage, if any. The firm must supply proof of insurance outlining the extent of liability coverage.
- (9) Provide a description of how the firm utilizes or will utilize information technology to help provide the required fiscal agent services.
- (10) Describe how the firm will provide the STO with "read-only" access to records of the STO accounts during normal business hours and allow the STO to download and print reports. Provide sample reports that can be accessed online.
- (11) Provide certification that the firm's data processing operations, including both hardware and software capabilities, can efficiently accommodate the scale and volume of the State's account.
- (12) Describe the firm's disaster recovery plans. Provide certification that the data processing files related to the State's bondholder records and outstanding bonds to be maintained by the fiscal agent will be included among the firm's critical data/applications slated for priority recovery under the disaster recovery plan.
- (13) Describe the processes, services, structures, and technology the firm has in place or intends to provide to manage bondholder relations.
- (14) Identify the address(s) of the location(s) where the firm will make available a presentation "window" in downtown Sacramento. Confirm that at such location(s), bondholders presenting valid bonds or interest coupons will receive payment by the close of the business day, if requested. If the firm plans to provide additional presentation "windows" at other locations in California, please identify the address(s) of the location(s) (additional windows are not required).
- (15) Describe the system or processes the firm has in place to maintain the most current information and addresses for bondholders.

D. Experience

Describe the firm's relevant fiscal agent experience, including the approximate volume of registered bonds and bearer bonds for which you currently provide fiscal agent services.

To meet the minimum qualifications (Section II C), provide a list of clients for whom you provided relevant fiscal agent experience. The list must include the following information:

- Name of client,
- Period during which you provided fiscal agent services, and
- Dollar value of the bearer and registered bond portfolio for which you provided fiscal agent services.

The State is only interested in evaluating experience with respect to bearer and registered bonds. If the fiscal agent services for a client included bearer, registered, and book-entry only bonds, include here only the information related to experience with the client's bearer and registered bonds exclusively.

E. Transition and Conversion

- (1) Provide a summary of the firm's transition/conversion plan. Outline the major subjects/topics in the firm's plan and steps the firm will take to ensure compliance with Section I E.
- (2) What resources would the firm expect the STO to provide during the transition and conversion period?
- (3) Provide at least two government references for which the firm has performed conversions (See Attachment 4).
- (4) Prior to the transition/conversion, what planning and training would the firm need to conduct with the STO and the current fiscal agent, if any?

F. Fees

- (1) Fees must be submitted in the format prescribed in Attachment 3. Any deviation from the prescribed format which is deemed material may result in the rejection of the proposal.
- (2) Please note that the fee proposal must include all costs associated with the transition and conversion of assuming the duties of fiscal agent, including: (1) establishing bondholder accounts from existing records (please refer to Section I B), (2) establishing information related to outstanding bonds from existing records, (3) transfer of underlying bearer bonds currently held in custody for registered bearer bonds to the place of safekeeping for your firm, (4) transfer of existing bond stock to the place of safekeeping for your firm, and (5) the cost for the silvering of the bond stock (see Section III C (3)).

IV. PROPOSAL REQUIREMENTS AND INFORMATION

A. Schedule of Events

All proposers are hereby advised of the following schedule and will be expected to adhere to the required dates.

<u>Event</u>	<u>Date</u>
Distribution and announcement of RFP	06/15/2017
Last day for submission of written questions	06/20/2017
STO response to written questions	06/23/2017
Proposals due at the STO as indicated in Paragraph C(4) below	06/30/2017
Post notice of intent to award	07/17/2017
Last day to protest award	07/24/2017
Start of Contract	09/01/2017

The STO reserves the right to change the above dates, and, if so, potential proposers will be notified by email. The STO also reserves the right not to award an Agreement at all.

B. Questions Regarding the RFP

To ensure that all proposers receive equal consideration, no questions related to this RFP will be answered by telephone or in person.

However, proposers having questions regarding this RFP may request clarification by submitting any questions by e-mail to the below e-mail address by June 20, 2017:

E-mail: sto@treasurer.ca.gov

Please include "RFP-Fiscal Agent" in the subject line of any e-mails submitted. On June 23, 2017, the STO will e-mail all proposers its response to any submitted written questions.

C. Submission of Proposal

- (1) Proposers must provide a written response to each question contained under the heading "Proposal Content." Please clearly indicate your response to each question by including the question followed by the response in your proposal. The proposal must be complete and accurate. Omissions, inaccuracies or misstatements will be sufficient cause for rejection of a proposal.
- (2) An individual who is authorized to bind the proposing firm contractually shall sign the Attachment 2, Proposer Certification Sheet. The signature must indicate the title or position that the individual holds in the firm. An unsigned proposal may be rejected.
- (3) The STO reserves the right to reject all the proposals and not proceed with the selection of a fiscal agent.
- (4) All proposals must be received by June 30, 2017 at 4:00 p.m. PST. Faxed and electronic submissions will not be accepted. All proposals must be delivered to:

State Treasurer's Office
Public Finance Division
Attn: Trustee Team
915 Capitol Mall, Room 261
Sacramento, California 95814

Three hard copies in separate binders of the proposal are required. All documents contained in the original proposal package must have original signatures and must be signed by a person who is authorized to bind the proposing firm.

- (5) All proposals shall include the documents identified in Section VIII, Required Attachment Checklist. Proposals not including the proper "required attachment" shall be deemed non-responsive. A non-responsive proposal is one that does not meet all the basic proposal requirements.
- (6) Proposals must be submitted for the performance of all the services described herein. Any deviation from the work described in Section III will not be considered and will cause a proposal to be rejected.
- (7) A proposal may be rejected if it is conditional or incomplete, or if it contains any alterations of form or other irregularities of any kind. The State may reject any or all proposals and may waive any immaterial deviation in a proposal. The State's waiver of immaterial defect shall in no way modify the RFP document or excuse the firm from full compliance with all requirements if awarded the Agreement.
- (8) Costs for developing proposals and in anticipation of award of the Agreement are entirely the responsibilities of the firm and shall not be charged to the State.
- (9) A firm may withdraw its proposal by submitting a written withdrawal request to the State, signed by the firm or an agent authorized as provided herein. A firm may thereafter submit a new proposal prior to the proposal submission deadline. Proposals may not be withdrawn without cause subsequent to proposal submission deadline.

- (10) The STO may modify the RFP prior to the date fixed for submission of proposals by the issuance of an addendum to all parties who received a proposal package.
- (11) The STO reserves the right to reject all proposals for reasonable cause.
- (12) Proposers are cautioned to not rely on the State during the evaluation to discover and report to the proposer any defects and errors in the submitted documents. Proposers, before submitting their documents, should carefully proof them for errors and adherence to the RFP requirements.
- (13) More than one proposal from an individual, firm, partnership, corporation or association under the same or different names, will not be considered. Reasonable grounds for believing that any firm has submitted more than one proposal for the work contemplated herein will cause the rejection of all proposals submitted by that firm. If there is reason for believing that collusion exists among the firm, none of the participants in such collusion will be considered in this or future procurements.

D. Evaluation Process

- (1) At the time of proposal opening, each proposal will be checked for the presence or absence of required information in conformance with the submission requirements of this RFP.
- (2) The STO will put each proposal through a process of evaluation to determine its responsiveness to the STO’s needs.
- (3) Proposals that contain false or misleading statements, or which provide references, which do not support an attribute or condition claimed by the firm, may be rejected. If, in the opinion of the STO, such information was intended to mislead the STO in its evaluation of the proposal, and the attribute, condition, or capability is a requirement of this RFP, it will be the basis for rejection of the proposal.

(4) Scoring

The proposals that meet the minimum qualifications will be evaluated and scored according to the criteria indicated below. Below is a list of the maximum amount of points allocated to the different proposal content categories. Each proposal will be evaluated and scored in each criteria section. The overall score will be the aggregate sum of the individual criteria scores.

Criteria	Maximum Points
General Information	50
Organization	50
Operations and Scope of Services	300
Experience	225
Transition and Conversion	75
Fees	300
Total	1000

(5) Additional Criteria

The firm with the highest points total will be considered for the contract subject to the State Personnel Board (“SPB”), DGS, Department of Finance (“DOF”) and Governor’s approval.

The award of this RFP will be based on a “best value” method that includes fees as a factor.

Example of a "best value" calculation:

	<u>Bidder 1</u>	<u>Bidder 2</u>	<u>Bidder 3</u>
General Information	48 pts	47 pts	45 pts
Organization	48 pts	43 pts	45 pts
Operations and Scope of Services	263 pts	211 pts	215 pts
Experience	221 pts	167 pts	170 pts
Transition and Conversion	73 pts	73 pts	73 pts
Fees	300 pts	250 pts	260 pts

Calculation of pts for the fee, based on Annual Fee from Attachment 3 = (lowest fee proposal/bidder's fee proposal)*(300 pts)

Grand Total:

Bidder 1 = 48 + 48 + 263 + 221 + 73 + 300 = **953**

Bidder 2 = 47 + 43 + 211 + 167 + 73 + 250 = **791**

Bidder 3 = 45 + 45 + 215 + 170 + 73 + 260 = **808**

The State reserves the right to:

- (a) Request an interview with, and additional information from a firm prior to final selection.
- (b) Request an on-site visit with a firm to review the securities clearance operation and facilities.
- (c) Consider information about a firm in addition to the information submitted in the response to this RFP.
- (d) Conduct background and reference checks

E. Award and Protest

- (1) Whenever an Agreement is awarded under a procedure which provides for competitive bidding, but the Agreement is not to be awarded to the lowest bidder, the low bidder shall be notified by email, electronic facsimile transmission, overnight courier, or personal delivery five (5) working days prior to the award of the Agreement.
- (2) Upon written request by any firm, notice of the proposed award shall be posted in a public place in the office of the STO at least five (5) working days prior to awarding the Agreement.
- (3) If any proposer, prior to the award of Agreement, files a protest with the STO on the grounds that the (protesting) firm has the lowest bid, the Agreement shall not be awarded until either the protest has been withdrawn or the DGS has decided the matter.
- (4) Within five (5) days after filing the initial protest, the protesting firm shall file with the DGS and the STO a full and complete written statement specifying the ground for the protest. The written protest must be sent to the Department of General Services, Office of Legal Services, 707 Third Street, Suite 7-330, West Sacramento, CA 95605. A copy of the written protest must be mailed to STO's address listed on page 14. It is suggested that you submit any protest by certified or registered mail.
- (5) Upon award of the Agreement, the winning firm must complete and submit to the STO the Payee Date Record (STD 204), to determine whether it is subject to state income tax withholding pursuant to California Revenue and Taxation Code Section 18662. This form can be found as Attachment 5 or on the Internet at <http://www.dgs.ca.gov/ofam/Forms.aspx> under the heading Office of State Publishing (OSP) Standard (STD) forms. No payment shall be made unless a completed STD 204 has been returned to the STO.

- (6) Upon award of the Agreement, the firm must sign and submit to the STO, page one (1) of the Contractor Certification Clauses (CCC) which can be found as Attachment 6 in Section VIII and at <http://www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx>.

F. Disposition of Proposals

All documents submitted in response to this RFP will become the property of the State, and will be regarded as public records under the California Public Records Act (Government Code Section 6250 et seq.) and subject to review by the public. The State cannot prevent the disclosure of public documents. However, the contents of all proposals, draft proposals, correspondence, agenda, memoranda, working papers, or any other medium which discloses any aspect of a firm's proposal, shall be held in the strictest confidence until the "Letter of Intent" is posted.

Proposal packages may be returned only at the firm's expense, unless such expense is waived by the STO.

G. Standard Conditions of Service

Service shall be available on the express date set by the STO and the fiscal agent, after all approvals have been obtained and the Agreement is fully executed. Should the fiscal agent fail to commence work at the contractual date/time, the STO reserves the right to terminate the Agreement within five days. In addition, the fiscal agent will be liable for the variance between the Grand Total of Five-Year Contract Fees and the actual cost of performing work by the second lowest bided firm and/or by another contractor.

All performance under the Agreement shall be completed on or before the termination date of the Agreement.

The State's General Terms and Conditions (GTC) are not negotiable. The GTC may be viewed at <http://www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx>. The State will not accept any changes to the GTC. No oral understanding or agreement shall be binding on either party.

V. REQUIRED APPROVALS

Certain approvals are required before the new fiscal agent and the State may proceed with the implementation of the Agreement.

- A. SPB must have the opportunity to review the Agreement. If such a review is commenced, the Agreement may not be effective unless and until approval is granted by the SPB. Under California Government Code Section 19131, any state agency proposing to execute a contract to outsource services must notify the SPB. The SPB may review the proposed contract for compliance with standards set forth in Public Contract Code Section 10337. Firms will be asked to assist the State in providing information (such as pay rates) to the SPB.
- B. DGS must review and authorize the execution of the Agreement.
- C. Governor of California must authorize the designation of the fiscal agent and approve the Agreement.
- D. DOF must authorize the designation of the fiscal agent and approve the Agreement.

VI. DISABLED VETERANS BUSINESS ENTERPRISE REQUIREMENT

The Disabled Veteran Business Enterprise (DVBE) Participation Program has been waived for this solicitation.

VII. OUTSTANDING BEARER AND REGISTERED BOND TABLES

TABLE I - OUTSTANDING BEARER AND REGISTERED BEARER BONDS
 (FIGURES AS OF MARCH 31, 2017)

	No. of CUSIPS	No. of Active Bondholder Accounts	No. of Registered Bonds	No. of Bearer Bonds	Bearer Principal Amount Outstanding	Registered Bearer Principal Amount Outstanding	Total Principal Outstanding	Unpresented Principal Amount
1. CENTRAL VALLEY PROJECT DCC	2	32	162	2,179	10,895,000.00	34,550,000.00	45,445,000.00	35,000.00
2. SAFE DRINKING WATER BOND 1976 A	5	1	1	41	205,000.00	5,000.00	210,000.00	210,000.00
3. SAFE DRINKING WATER BOND 1976 B	2	1	1	7	35,000.00	5,000.00	40,000.00	40,000.00
4. WATER BOND OF THE STATE OF CALIFORNIA A	7	0	0	143	715,000.00	0.00	715,000.00	715,000.00
5. WATER BOND OF THE STATE OF CALIFORNIA B	8	3	3	78	390,000.00	40,000.00	430,000.00	430,000.00
6. WATER BOND OF THE STATE OF CALIFORNIA C	8	2	2	144	720,000.00	10,000.00	730,000.00	730,000.00
7. WATER BOND OF THE STATE OF CALIFORNIA D	9	7	7	143	715,000.00	120,000.00	835,000.00	835,000.00
8. WATER BOND OF THE STATE OF CALIFORNIA E	8	3	4	178	890,000.00	40,000.00	930,000.00	930,000.00
9. WATER BOND OF THE STATE OF CALIFORNIA F	8	6	6	101	505,000.00	90,000.00	595,000.00	595,000.00
10. WATER BOND OF THE STATE OF CALIFORNIA G	10	7	7	199	995,000.00	45,000.00	1,040,000.00	1,040,000.00
11. WATER BOND OF THE STATE OF CALIFORNIA H	10	5	5	395	1,975,000.00	120,000.00	2,095,000.00	640,000.00
12. WATER BOND OF THE STATE OF CALIFORNIA J	11	10	28	639	3,195,000.00	2,290,000.00	5,485,000.00	985,000.00
13. WATER BOND OF THE STATE OF CALIFORNIA K	11	10	32	864	4,320,000.00	1,260,000.00	5,580,000.00	1,070,000.00
14. WATER BOND OF THE STATE OF CALIFORNIA L	11	12	52	956	4,780,000.00	5,140,000.00	9,920,000.00	1,020,000.00
15. WATER BOND OF THE STATE OF CALIFORNIA M	6	16	60	1,342	6,710,000.00	2,440,000.00	9,150,000.00	250,000.00
16. WATER BOND OF THE STATE OF CALIFORNIA N	13	34	157	1,889	9,445,000.00	8,725,000.00	18,170,000.00	870,000.00
17. WATER BOND OF THE STATE OF CALIFORNIA P	12	30	238	1,416	7,080,000.00	11,075,000.00	18,155,000.00	855,000.00
18. WATER BOND OF THE STATE OF CALIFORNIA Q	13	29	161	1,659	8,295,000.00	10,805,000.00	19,100,000.00	1,800,000.00
19. WATER BOND OF THE STATE OF CALIFORNIA R	14	22	93	1,088	5,440,000.00	4,505,000.00	9,945,000.00	1,295,000.00
20. WATER BOND OF THE STATE OF CALIFORNIA S	11	20	156	847	4,235,000.00	4,720,000.00	8,955,000.00	160,000.00
21. WATER BOND OF THE STATE OF CALIFORNIA W	1	1	1	0	0.00	10,000.00	10,000.00	10,000.00
Grand Total	180	251	1,176	14,308	71,540,000.00	85,995,000.00	157,535,000.00	14,515,000.00

Source: Bank of New York Mellon (Current Fiscal Agent)

**TABLE II - OUTSTANDING FULLY REGISTERED BONDS
 (FIGURES AS OF MARCH 31, 2017)**

Program Name	No. of CUSIPS	No. of Registered Bonds	No. of Registered Holders	Total Principal Outstanding	Unpresented Principal Amount
1. 1988 SCHOOL FACILITIES (NOV) C	3	4	4	35,000.00	35,000.00
2. 1988 SCHOOL FACILITIES (NOV) D	1	1	1	5,000.00	5,000.00
3. 1988 SCHOOL FACILITIES (NOV) F	1	1	1	10,000.00	10,000.00
4. 1990 SCHOOL FACIL ACT (JUNE) A	1	4	4	25,000.00	25,000.00
5. CLEAN WATER 1974 Z	1	1	1	5,000.00	5,000.00
6. CLEAN WATER 1984 P	1	1	1	15,000.00	15,000.00
7. CLEAN WATER 1984 T	2	2	2	10,000.00	10,000.00
8. CLEAN WTR & WTR RECLAM 1988 A	1	2	2	20,000.00	20,000.00
9. CO CORRECT FAC CAP EXP 1986 H	4	4	4	60,000.00	60,000.00
10. COMMUNITY PARKLANDS 1986 C	2	2	2	60,000.00	60,000.00
11. COMMUNITY PARKLANDS 1986 E	1	1	1	85,000.00	85,000.00
12. COMMUNITY PARKLANDS 1986 F	1	1	1	10,000.00	10,000.00
13. COUNTY JAIL CAP EXP 1981 H	1	1	1	25,000.00	25,000.00
14. COUNTY JAIL CAP EXP 1984 J	1	2	2	15,000.00	15,000.00
15. FISH & WLDLFE HAB ENHANCE 1984 F	1	1	1	10,000.00	10,000.00
16. HIGHER EDUC FAC ACT 1990 (JUN) A	2	4	2	35,000.00	35,000.00
17. HIGHER EDUC FAC ACT 1990 (JUN) B	3	5	5	105,000.00	105,000.00
18. HIGHER EDUCATION FAC 1986 B	1	1	1	5,000.00	5,000.00
19. HIGHER EDUCATION FAC 1986 C	1	1	1	15,000.00	15,000.00
20. HIGHER EDUCATION FAC 1988 (NOV) G	1	1	1	10,000.00	10,000.00
21. NEW PRISON CONST ACT 1990 B	4	8	8	220,000.00	220,000.00
22. NEW PRISON CONSTRUCTION 1988 A	1	2	2	55,000.00	55,000.00
23. NEW PRISON CONSTRUCTION 1988 C	1	1	1	10,000.00	10,000.00
24. NEW PRISON CONSTRUCTION 1988 D	1	1	1	25,000.00	25,000.00
25. NEW PRISON CONSTRUCTION 1988 E	1	1	1	90,000.00	90,000.00
26. NEW PRISON CONSTRUCTION 1988 F	2	2	2	25,000.00	25,000.00
27. PARK & REC FACILITIES 1984 H	1	1	1	10,000.00	10,000.00
28. PARKLANDS 1980 K	2	2	2	55,000.00	55,000.00
29. SAFE DRINKING WATER 1984 L	1	1	1	25,000.00	25,000.00
30. SAFE DRINKING WATER 1986 A	1	1	1	5,000.00	5,000.00
31. SAFE DRINKING WATER 1986 D	1	1	1	10,000.00	10,000.00
32. SAFE DRINKING WATER 1988 B	1	1	1	5,000.00	5,000.00
33. SCHOOL BLDG LEASE-PURCH 1984 M	2	2	2	30,000.00	30,000.00
34. SCHOOL BLDG LEASE-PURCH 1986 L	1	3	3	30,000.00	30,000.00
35. SCHOOL BLDG LEASE-PURCH 1986 T	1	3	3	40,000.00	40,000.00
36. SCHOOL BLDG LEASE-PURCH 1986 Y	2	2	2	45,000.00	45,000.00

37. SCHOOL FACIL ACT OF 1990 (NOV) B	2	3	3	130,000.00	130,000.00
38. SCHOOL FACILITIES 1988 (JUNE) E	2	2	2	15,000.00	15,000.00
39. STATE URBAN & COASTAL PRK 1976 P	2	2	2	20,000.00	20,000.00
40. UC VARIOUS PROJECTS 90A	3	79	76	524,000.00	524,000.00
41. VETERANS 1980 AL	1	4	2	30,000.00	30,000.00
42. VETERANS 1980 AM	1	3	3	20,000.00	20,000.00
43. VETERANS 1980 AN	2	5	4	40,000.00	40,000.00
44. VETERANS 1982 AP	2	4	4	75,000.00	75,000.00
45. VETERANS 1982 AQ	2	3	3	185,000.00	185,000.00
46. VETERANS 1982 AR	2	9	4	110,000.00	110,000.00
47. VETERANS 1982 AS	1	1	1	10,000.00	10,000.00
48. VETERANS 1984 AT	3	7	7	155,000.00	155,000.00
49. VETERANS 1984 AU	3	9	8	100,000.00	100,000.00
50. VETERANS 1984 AV	1	2	2	25,000.00	25,000.00
51. WLDLF CSTL & PRKLND CNSRV 1988 F	1	1	1	30,000.00	30,000.00
52. WLDLF CSTL & PRKLND CNSRV 1988 G	1	2	2	35,000.00	35,000.00
53. WTR CONSERV & WTR QUAL 1986 D	1	1	1	50,000.00	50,000.00
Grand Total	83	209	195	2,794,000.00	2,794,000.00

Source: Bank of New York Mellon (Current Fiscal Agent)

**TABLE III - MATURED SERIES WITH UNPRESENTED BONDS AND COUPONS
 (FIGURES AS OF MARCH 31, 2017)**

Program Name	No. of Bearer Bonds	No. of Registered Bonds	No. of Active Bondholder Accounts	Unpresented Principal Amount
1. 1988 SCHOOL FACILITIES (NOV) C	0	4	4	35,000.00
2. 1988 SCHOOL FACILITIES (NOV) D	0	1	1	5,000.00
3. 1988 SCHOOL FACILITIES (NOV) F	0	1	1	10,000.00
4. 1990 SCHOOL FACIL ACT (JUNE) A	0	4	4	25,000.00
5. CLEAN WATER 1974 Z	0	1	1	5,000.00
6. CLEAN WATER 1984 P	0	1	1	15,000.00
7. CLEAN WATER 1984 T	0	2	2	10,000.00
8. CLEAN WTR & WTR RECLAM 1988 A	0	2	2	20,000.00
9. CO CORRECT FAC CAP EXP 1986 H	0	4	4	60,000.00
10. COMMUNITY PARKLANDS 1986 C	0	2	2	60,000.00
11. COMMUNITY PARKLANDS 1986 E	0	1	1	85,000.00
12. COMMUNITY PARKLANDS 1986 F	0	1	1	10,000.00
13. COUNTY JAIL CAP EXP 1981 H	0	1	1	25,000.00
14. COUNTY JAIL CAP EXP 1984 J	0	2	2	15,000.00
15. CENTRAL VALLEY PROJECT DCC	271	9	9	1,435,000.00
16. FISH & WLDLFE HAB ENHANCE 1984 F	0	1	1	10,000.00
17. HIGHER EDUC FAC ACT 1990(JUN) A	0	4	2	35,000.00
18. HIGHER EDUC FAC ACT 1990(JUN) B	0	5	5	105,000.00
19. HIGHER EDUCATION FAC 1986 B	0	1	1	5,000.00
20. HIGHER EDUCATION FAC 1986 C	0	1	1	15,000.00
21. HIGHER EDUCATION FAC 1988(NOV) G	0	1	1	10,000.00
22. HOME MORTGAGE 83A	0	22	14	93,949.70
23. HOME MORTGAGE 83B	0	25	23	132,004.41
24. HOME MORTGAGE 85A	0	1	1	2,631.51
25. NEW PRISON CONST ACT 1990 B	0	8	8	220,000.00
26. NEW PRISON CONSTRUCTION 1988 A	0	2	2	55,000.00
27. NEW PRISON CONSTRUCTION 1988 C	0	1	1	10,000.00
28. NEW PRISON CONSTRUCTION 1988 D	0	1	1	25,000.00
29. NEW PRISON CONSTRUCTION 1988 E	0	1	1	90,000.00
30. NEW PRISON CONSTRUCTION 1988 F	0	2	2	25,000.00
31. PARK & REC FACILITIES 1984 H	0	1	1	10,000.00
32. PARKLANDS 1980 K	0	2	2	55,000.00
33. SAFE DRINKING WATER 1976 A	41	1	1	210,000.00
34. SAFE DRINKING WATER BOND 1976 B	7	1	1	40,000.00
35. SAFE DRINKING WATER 1984 L	0	1	1	25,000.00
36. SAFE DRINKING WATER 1986 A	0	1	1	5,000.00

37.	SAFE DRINKING WATER 1986 D	0	1	1	10,000.00
38.	SAFE DRINKING WATER 1988 B	0	1	1	5,000.00
39.	SCHOOL BLDG LEASE-PURCH 1984 M	0	2	2	30,000.00
40.	SCHOOL BLDG LEASE-PURCH 1986 L	0	3	3	30,000.00
41.	SCHOOL BLDG LEASE-PURCH 1986 T	0	3	3	40,000.00
42.	SCHOOL BLDG LEASE-PURCH 1986 Y	0	2	2	45,000.00
43.	SCHOOL FACIL ACT OF 1990 (NOV) B	0	3	3	130,000.00
44.	SCHOOL FACILITIES 1988 (JUNE) E	0	2	2	15,000.00
45.	STATE URBAN & COASTAL PRK 1976 P	0	2	2	20,000.00
46.	UC VARIOUS PROJECTS 90A	0	79	76	524,000.00
47.	VETERANS 1980 AL	0	4	2	30,000.00
48.	VETERANS 1980 AM	0	3	3	20,000.00
49.	VETERANS 1980 AN	0	5	5	40,000.00
50.	VETERANS 1982 AP	0	4	4	75,000.00
51.	VETERANS 1982 AQ	0	3	3	185,000.00
52.	VETERANS 1982 AR	0	9	4	110,000.00
53.	VETERANS 1982 AS	0	1	1	10,000.00
54.	VETERANS 1984 AT	0	7	7	155,000.00
55.	VETERANS 1984 AU	0	9	8	100,000.00
56.	VETERANS 1984 AV	0	2	2	25,000.00
57.	WATER BOND OF THE STATE OF CALIFORNIA A	143	0	0	715,000.00
58.	WATER BOND OF THE STATE OF CALIFORNIA B	78	3	3	430,000.00
59.	WATER BOND OF THE STATE OF CALIFORNIA C	144	2	2	730,000.00
60.	WATER BOND OF THE STATE OF CALIFORNIA D	143	7	7	835,000.00
61.	WATER BOND OF THE STATE OF CALIFORNIA E	178	4	3	930,000.00
62.	WATER BOND OF THE STATE OF CALIFORNIA F	101	6	6	595,000.00
63.	WATER BOND OF THE STATE OF CALIFORNIA G	199	7	7	1,040,000.00
64.	WATER BOND OF THE STATE OF CALIFORNIA H	115	4	4	640,000.00
65.	WATER BOND OF THE STATE OF CALIFORNIA J	184	6	6	985,000.00
66.	WATER BOND OF THE STATE OF CALIFORNIA K	210	2	2	1,070,000.00
67.	WATER BOND OF THE STATE OF CALIFORNIA L	195	5	5	1,020,000.00
68.	WATER BOND OF THE STATE OF CALIFORNIA M	46	3	3	250,000.00
69.	WATER BOND OF THE STATE OF CALIFORNIA N	158	11	7	870,000.00
70.	WATER BOND OF THE STATE OF CALIFORNIA P	147	8	8	855,000.00
71.	WATER BOND OF THE STATE OF CALIFORNIA Q	342	7	7	1,800,000.00
72.	WATER BOND OF THE STATE OF CALIFORNIA R	247	5	5	1,295,000.00
73.	WATER BOND OF THE STATE OF CALIFORNIA S	32	0	0	160,000.00
74.	WATER BOND OF THE STATE OF CALIFORNIA W	0	1	0	10,000.00
75.	WLDLF CSTL & PRKLN D CNSRV 1988 F	0	1	1	30,000.00
76.	WLDLF CSTL & PRKLN D CNSRV 1988 G	0	2	2	35,000.00

77. WTR CONSERV & WTR QUAL 1986 D	0	1	1	50,000.00
Grand Total	2,981	349	321	18,937,585.62

Source: Bank of New York Mellon (Current Fiscal Agent)

VIII. ATTACHMENTS

ATTACHMENT 1

REQUIRED ATTACHMENT CHECKLIST

The proposal package should include the items identified below. Complete this checklist to confirm all required items are included in your proposal. Place a check mark or "X" next to each item that you are submitting to the STO. For your proposal to be responsive, all required attachments must be returned. **RETURN THIS CHECKLIST WITH YOUR PROPOSAL PACKAGE.**

<u>ATTACHMENT</u>	<u>ATTACHMENT NAME / DESCRIPTION</u>
_____	Attachment 1 Required Attachment Checklist
_____	Attachment 2 Proposer Certification Sheet (2 pages)
_____	Attachment 3 Fee Proposal
_____	Attachment 4 Proposer's References (Mandatory)
_____	Attachment 5 Payee Data Record (STD 204)
_____	Attachment 6 Contractor Certification Clauses (<u>CCC 04/2017</u>) The <u>CCC 04/2017</u> can be found on the Internet at http://www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx . Page one (1) must be signed and submitted prior to the award of the agreement.
_____	Attachment 7 Form ADV or Proof of Exemption from Registration
_____	Attachment 8 California Taxpayer and Shareholder Protection Act Certification of 2003 Form
_____	Attachment 9 Darfur Contracting Act Certification Form
_____	Attachment 10 Iran Contracting Act Certification Form
_____	Attachment 11 Bidder Declaration
_____	Attachment 12 California Civil Rights Laws Certification

ATTACHMENT 2

PROPOSER CERTIFICATION SHEET

This Proposer Certification Sheet must be signed and returned along with all the "required attachments" as an entire package in duplicate with original signatures. The proposal must be transmitted in a sealed envelope in accordance with RFP instructions.

Do not return Section IV, Proposal Requirements and Information (pages 13 through 17) nor the "Sample Agreement" at the end of this RFP.

- A. Place all required attachments behind this certification sheet.
- B. The signature affixed hereon and dated certifies compliance with all the requirements of this proposal document. The signature below authorizes the verification of this certification.

**An Unsigned Proposer Certification Sheet
May Be Cause for Rejection**

1. Company Name	2. Telephone Number ()	2a. Fax Number ()
3. Address		
Indicate your organization type:		
4. <input type="checkbox"/> Sole Proprietorship	5. <input type="checkbox"/> Partnership	6. <input type="checkbox"/> Corporation
Indicate the applicable employee and/or corporation number:		
7. Federal Employee ID No. (FEIN)	8. California Corporation No.	
Indicate applicable license and/or certification information:		
9. Contractor's State Licensing Board Number	10. PUC License Number CAL-T-	11. Required Licenses/Certifications
12. Proposer's Name (Print)	13. Title	
14. Signature	15. Date	
16. Are you certified with the Department of General Services, Office of Small Business Certification and Resources (OSBCR) as:		
a. Small Business Enterprise Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, enter certification number: _____	b. Disabled Veteran Business Enterprise Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, enter your service code below: _____	
NOTE: A copy of your Certification is required to be included if either of the above items is checked "Yes". Date application was submitted to OSBCR, if an application is pending:		

Completion Instructions for Proposer Certification Sheet

Complete the numbered items on the Proposer Certification Sheet by following the instructions below.

Item Numbers	Instructions
1, 2, 2a, 3	Must be completed. These items are self-explanatory.
4	Check if your firm is a sole proprietorship. A sole proprietorship is a form of business in which one person owns all the assets of the business in contrast to a partnership and corporation. The sole proprietor is solely liable for all the debts of the business.
5	Check if your firm is a partnership. A partnership is a voluntary agreement between two or more competent persons to place their money, effects, labor, and skill, or some or all of them in lawful commerce or business, with the understanding that there shall be a proportional sharing of the profits and losses between them. An association of two or more persons to carry on, as co-owners, a business for profit.
6	Check if your firm is a corporation. A corporation is an artificial person or legal entity created by or under the authority of the laws of a state or nation, composed, in some rare instances, of a single person and his successors, being the incumbents of a particular office, but ordinarily consisting of an association of numerous individuals.
7	Enter your federal employee tax identification number.
8	Enter your corporation number assigned by the California Secretary of State's Office. This information is used for checking if a corporation is in good standing and qualified to conduct business in California.
9	Complete if your firm holds a California contractor's license. This information will be used to verify possession of a contractor's license for public works agreements.
10	Complete if your firm holds a PUC license. This information will be used to verify possession of a PUC license for public works agreements.
11	Complete, if applicable, by indicating the type of license and/or certification that your firm possesses and that is required for the type of services being procured.
12, 13, 14, 15	Must be completed. These items are self-explanatory.
16	If certified as a Small Business Enterprise, place a check in the "yes" box, and enter your certification number on the line. If certified as a Disabled Veterans Business Enterprise, place a check in the "Yes" box and enter your service code on the line. If you are not certified to one or both, place a check in the "No" box. If your certification is pending, enter the date your application was submitted to OSBCR.

ATTACHMENT 3

FEE PROPOSAL

**STATE OF CALIFORNIA
STATE TREASURER'S OFFICE**

Firm Name: _____

The contract period of the Fiscal Agent services shall be five years, beginning on September 1, 2017 and ending on August 31, 2022, with two one-year optional extensions exercisable solely at the STO's option, which could extend the contract through August 31, 2024. The proposal should include the fee per year, a grand total of contract fee that will cover all services contemplated by this RFP for the initial five year term, and fees for the sixth and seventh option years. The fees listed below must be guaranteed by the firm.

Fiscal Agent Services

	Year 1	Year 2	Year 3	Year 4	Year 5
Proposed Fee					

\$

Grand Total of Five-Year Contract Fee

	Year 6	Year 7
Optional Extension Fees		

NOTE: If a fee is not listed on Attachment 3, it will not be paid or be included in the Fiscal Agent contract.

ATTACHMENT 4

PROPOSER'S REFERENCES

Submission of this attachment is **mandatory**. Failure to complete and return this attachment with your proposal will cause your proposal to be rejected and deemed non-responsive. If you are determined to be the highest scoring Proposer, you may be called upon to provide this information.

1. Submit the names, addresses, telephone numbers and contacts of at least five clients for whom you provide fiscal agent, paying agent, bond transfer, and registrar functions. At least three of the five clients provided should be for a governmental issuer (Refer to Section III B (6)). At least two government references should include the performance of data conversions (Refer to Section III E (3)). If five references cannot be provided, please explain why on an attached sheet of paper.

REFERENCE 1

Name of Firm			
Street Address	City	State	Zip Code
Contact Person/Title		Telephone Number	
Dates of Service		Value or Cost of Service	
Brief Description of Service Provided			

REFERENCE 2

Name of Firm			
Street Address	City	State	Zip Code
Contact Person/Title		Telephone Number	
Dates of Service		Value or Cost of Service	
Brief Description of Service Provided			

REFERENCE 3

Name of Firm			
Street Address	City	State	Zip Code
Contact Person/Title		Telephone Number	
Dates of Service		Value or Cost of Service	
Brief Description of Service Provided			

REFERENCE 4

Name of Firm			
Street Address	City	State	Zip Code
Contact Person/Title		Telephone Number	
Dates of Service		Value or Cost of Service	

Brief Description of Service Provided

REFERENCE 5

Name of Firm			
Street Address	City	State	Zip Code
Contact Person/Title		Telephone Number	
Dates of Service		Value or Cost of Service	

Brief Description of Service Provided

REFERENCE 6

Name of Firm			
Street Address	City	State	Zip Code
Contact Person/Title		Telephone Number	
Dates of Service		Value or Cost of Service	

Brief Description of Service Provided

ATTACHMENT 5

Payee Data Record Form Std. 204: This form must be completed by all contractors that are not another state agency or other governmental entity.

The Payee Data Record Form Std. 204 can be found at <http://www.dgs.ca.gov/ofam/Forms.aspx>.

ATTACHMENT 6

Contractor Certification Clauses (CCC 04/2017): This form must be completed by all contractors that are not another state agency or other governmental entity.

The CCC 04/2017 can be found on the Internet at <http://www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx>. Page one (1) must be signed and submitted prior to the award of the agreement.

ATTACHMENT 7

The Proposer should include its Form ADV as an attachment to its submission. If it does not have a Form ADV, it should provide the basis for its exemption from registration.

Please refer to www.sec.gov regarding registration requirements and Form ADV.

ATTACHMENT 8

CALIFORNIA TAXPAYER AND SHAREHOLDER PROTECTION ACT OF 2003

California Public Contract Code Section 10286.1 generally provides that a state agency may not enter into any contract with an expatriate corporation or its subsidiaries unless the State Treasurer waives, in writing, the prohibition against contracting with such an entity upon a finding that the contract is necessary to meet a compelling public interest.

Pursuant to Section 10286.1, the State Treasurer's Office will not contract or otherwise do business – absent a compelling public interest – with publicly held U.S. expatriate corporations. This policy is designed to ensure that companies with which the State Treasurer's Office does business meet threshold standards of corporate accountability.

Please check **one** of the following two paragraphs and sign below:

1. We are not an expatriate corporation or subsidiary of an expatriate corporation within the meaning Public Contract Code Section 10286 and 10286.1, and are eligible to contract with the State of California.

OR

2. We are an expatriate corporation but we have received written permission from the State Treasurer.

CERTIFICATION:

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective proposer to the clause listed above. This certification is made under the laws of the State of California.

Firm Name

DATE: _____

Signature

ATTACHMENT 9

Pursuant to Public Contract Code section 10478, if a bidder or proposer currently or within the previous three years has had business activities or other operations outside of the United States, it must certify that it is not a "scrutinized" company as defined in Public Contract Code section 10476.

Therefore, to be eligible to submit a bid or proposal, please insert your company name and Federal ID Number and complete only one of the following three paragraphs (via initials for Paragraph # 1 or Paragraph # 2, or via initials and certification for Paragraph # 3):

<i>Company/Vendor Name (Printed)</i>	<i>Federal ID Number</i>
<i>Printed Name and Title of Person Initialing (for Options 1 or 2)</i>	

1. _____ We do not currently have, and have not had within the previous
 Initials three years, business activities or other operations outside of the United
 States.
- OR**
2. _____ We are a scrutinized company as defined in Public Contract Code
 Initials section 10476, but we have received written permission from the
 Department of General Services (DGS) to submit a bid or proposal
 pursuant to Public Contract Code section 10477(b). A copy of the written
 permission from DGS is included with our bid or proposal.
- OR**
3. _____ We currently have, or we have had within the previous three years,
 Initials business activities or other operations outside of the United States,
 + certification but we certify below that we are not a scrutinized company
 below as defined in Public Contract Code section 10476.

CERTIFICATION For # 3.

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective proposer/bidder to the clause listed above in # 3. This certification is made under the laws of the State of California.

<i>By (Authorized Signature)</i>	
<i>Printed Name and Title of Person Signing</i>	
<i>Date Executed</i>	<i>Executed in the County and State of</i>

ATTACHMENT 10

IRAN CONTRACTING ACT **(Public Contract Code sections 2202-2208)**

Prior to bidding on, submitting a proposal or executing a contract or renewal for a State of California contract for goods or services of \$1,000,000 or more, a vendor must either: a) certify it is **not** on the current list of persons engaged in investment activities in Iran created by the California Department of General Services ("DGS") pursuant to Public Contract Code section 2203(b) and is not a financial institution extending twenty million dollars (\$20,000,000) or more in credit to another person, for 45 days or more, if that other person will use the credit to provide goods or services in the energy sector in Iran and is identified on the current list of persons engaged in investment activities in Iran created by DGS; or b) demonstrate it has been exempted from the certification requirement for that solicitation or contract pursuant to Public Contract Code section 2203(c) or (d).

To comply with this requirement, please insert your vendor or financial institution name and Federal ID Number (if available) and complete **one** of the options below. Please note: California law establishes penalties for providing false certifications, including civil penalties equal to the greater of \$250,000 or twice the amount of the contract for which the false certification was made; contract termination; and three-year ineligibility to bid on contracts. (Public Contract Code section 2205.)

OPTION #1 - CERTIFICATION

I, the official named below, certify I am duly authorized to execute this certification on behalf of the vendor/financial institution identified below, and the vendor/financial institution identified below is **not** on the current list of persons engaged in investment activities in Iran created by DGS and is not a financial institution extending twenty million dollars (\$20,000,000) or more in credit to another person/vendor, for 45 days or more, if that other person/vendor will use the credit to provide goods or services in the energy sector in Iran and is identified on the current list of persons engaged in investment activities in Iran created by DGS.

<i>Vendor Name/Financial Institution (Printed)</i>		<i>Federal ID Number (or n/a)</i>
<i>By (Authorized Signature)</i>		
<i>Printed Name and Title of Person Signing</i>		
<i>Date Executed</i>	<i>Executed in</i>	

OPTION #2 – EXEMPTION

Pursuant to Public Contract Code sections 2203(c) and (d), a public entity may permit a vendor/financial institution engaged in investment activities in Iran, on a case-by-case basis, to be eligible for, or to bid on, submit a proposal for, or enters into or renews, a contract for goods and services.

If you have obtained an exemption from the certification requirement under the Iran Contracting Act, please fill out the information below, and attach documentation demonstrating the exemption approval.

<i>Vendor Name/Financial Institution (Printed)</i>		<i>Federal ID Number (or n/a)</i>
<i>By (Authorized Signature)</i>		
<i>Printed Name and Title of Person Signing</i>		<i>Date Executed</i>

ATTACHMENT 11

GSPD-05-105: The Bidder Declaration form must be completed by all Proposers.

The Bidder Declaration form and instructions can be found at
<https://www.documents.dgs.ca.gov/pd/delegations/GSPD105.pdf>.

ATTACHMENT 12

CALIFORNIA CIVIL RIGHTS LAWS CERTIFICATION

Pursuant to Public Contract Code section 2010, if a bidder or proposer executes or renews a contract over \$100,000 on or after January 1, 2017, the bidder or proposer hereby certifies compliance with the following:

1. **CALIFORNIA CIVIL RIGHTS LAWS**: For contracts over \$100,000 executed or renewed after January 1, 2017, the contractor certifies compliance with the Unruh Civil Rights Act (Section 51 of the Civil Code) and the Fair Employment and Housing Act (Section 12960 of the Government Code); and
2. **EMPLOYER DISCRIMINATORY POLICIES**: For contracts over \$100,000 executed or renewed after January 1, 2017, if a Contractor has an internal policy against a sovereign nation or peoples recognized by the United States government, the Contractor certifies that such policies are not used in violation of the Unruh Civil Rights Act (Section 51 of the Civil Code) or the Fair Employment and Housing Act (Section 12960 of the Government Code).

CERTIFICATION

I, the official named below, certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.		<i>Federal ID Number</i>
<i>Proposer/Bidder Firm Name (Printed)</i>		
<i>By (Authorized Signature)</i>		
<i>Printed Name and Title of Person Signing</i>		
<i>Date Executed</i>	<i>Executed in the County and State of</i>	

IX. Sample Standard Agreement (STD 213)

STATE OF CALIFORNIA
STANDARD AGREEMENT
 STD 213 (Rev 06/03)

AGREEMENT NUMBER SA000003-17
REGISTRATION NUMBER

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME

State Treasurer's Office (STO)

CONTRACTOR'S NAME

2. The term of this Agreement is: September 1, 2017 through August 31, 2022
 (Five-year term with two one-year optional extensions)

3. The maximum amount of this Agreement is: \$

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

Exhibit A – Scope of Work	7 pages
Exhibit B – Budget Detail and Payment Provisions	1 page
Exhibit C* – General Terms and Conditions	1 page
Exhibit D – Special Terms and Conditions	7 pages
Exhibit E – Additional Provisions	3 pages

Items shown with an Asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto. These documents can be viewed at <http://www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx>.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR		California Department of General Services Use Only
CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.)		
BY (Authorized Signature)	DATE SIGNED(Do not type)	
		
PRINTED NAME AND TITLE OF PERSON SIGNING		
ADDRESS		
STATE OF CALIFORNIA		:
AGENCY NAME		
State Treasurer's Office		
BY (Authorized Signature)	DATE SIGNED(Do not type)	
		
PRINTED NAME AND TITLE OF PERSON SIGNING		
Blake Fowler, Director, Public Finance Division		
ADDRESS		
915 Capitol Mall, Room 269, Sacramento, CA 95814		

EXHIBIT A
(Standard Agreement)

SCOPE OF WORK

1. Purpose of Service

The Treasurer of the State of California serves as registrar and paying agent for certain bonds issued by the State of California ("State") and agencies of the State. The State Treasurer's Office ("STO") requests the services of a fiscal agent to provide the registrar and paying agent services described in this Request for Proposal ("RFP") for previously issued bearer, registered bearer, and fully registered bonds **maturing on or after January 1, 2007**. Fiscal agent services are not being sought for bonds serviced by the State held in book-entry form with the Depository Trust & Clearing Corporation ("DTC"). The State does not expect to issue additional bonds for which fiscal agent services will be required. The selected fiscal agent will be awarded a contract for five years with an option for two one-year extensions.

The fiscal agent will perform the required services related to various issues of the following types of bonds:

- General Obligation Bonds,
- State Public Works Board Lease Revenue Bonds,
- Department of Water Resources Revenue Bonds, and
- California Housing Finance Agency Housing Revenue Bonds.

2. The following scope of work details STO's expectations generally for a Fiscal Agent. These services may include, but are not limited to the following:

(1) Paying Agent

- (a) Make timely and accurate payments of principal, interest, and redemption premiums.
- (b) Promptly process interest coupons and matured bonds received by mail, by courier, and in person from bondholders, banks, and other intermediaries; complete processing for the payment of principal and interest within 72 hours after documentation is complete or complete processing for the payment of principal and interest under paragraph (h) below within 72 hours after documentation is complete.
- (c) Verify authenticity of coupons and bonds presented for payment.
- (d) Cancel (by perforation, if required by law) paid coupons and bonds. State law currently requires the use of perforation to cancel General Obligation bonds.
- (e) Cancel matured bearer bond stock and attached coupons held in safekeeping. The State requires that all cancelled bond stock be shipped to the STO for destruction. The STO has the option to request the fiscal agent in writing to destroy the above mentioned stock.
- (f) Send registered bondholders of record written notices informing them of maturing bonds 30 days prior to the maturity date.
- (g) Mail checks to bondholders requesting checks for payment. Checks are to be mailed on the payment due date.
- (h) Wire electronic funds transfer (EFT) to bondholders requesting wire payment. Funds are to be wired on the payment due date.
- (i) In-person payments are to be made to bondholders by check on the payment due date or on the day presented if the day presented is after the maturity date or early redemption date.

EXHIBIT A
(Standard Agreement)

- (j) Honor bondholder presentation of bonds and coupons for payment. If funds are escheated back to the STO, the fiscal agent will send bonds and coupons back to the bondholder and refer the bondholder to the STO for payment.
- (k) Remit unclaimed funds to the STO when formally requested in writing by the STO.
- (l) The fiscal agent shall furnish the STO with an aging schedule within ten days after the end of each month showing all un-cleared checks and failed EFT payments issued against State funds. Checks that are un-cleared after one year will be deemed canceled. After cancellation, the bondholder may request the fiscal agent to issue a check replacement. Any replacement checks issued can only be valid for one year after issuance.
- (m) If any funds are remitted to the STO, a list of the bondholder's names, addresses, and descriptive bond information associated with the funds will be provided in an electronic format acceptable to the STO.

(2) Registrar

- (a) Maintain an accurate and complete register for each program of bonds.
- (b) Promptly process transfers of ownership of registered bonds and registered bearer bonds. Transfers of ownership are to be completed within 72 hours after satisfactory documentation has been received.
- (c) Promptly register and deregister bearer bonds. Such transactions are to be completed within 72 hours after satisfactory documentation has been received.
- (d) Serve as custodian for bearer bonds that have been converted to fully registered status and facilitate any future conversions back to bearer status.
- (e) Maintain an adequate supply of bond stock, silvering existing bond stock if necessary, to ensure sufficient availability.
- (f) Process all bond calls and redemption related transactions, including preparation, mailing or publication of call notices, selection of bonds for redemption, required notifications pursuant to bond documents, payment of redeemed bonds, and posting of call notices on Municipal Securities Rulemaking Board's EMMA website, all in accordance with the bond documents and/or disclosure requirements.
- (g) Process all other customary registrar transactions as required, such as stop transfers and stop payments on lost, stolen, or destroyed bonds, and make any required regulatory filings about lost, stolen, or destroyed bonds.

(3) Reporting Requirements

- (a) Prepare individual Form 1099 for each bondholder receiving a payment of principal for the Internal Revenue Service (with a copy for the State Franchise Tax Board if required).
- (b) During the fiscal agent's normal business hours, provide the STO with online access to the fiscal agent's records relating to the State's bonds and to all bank accounts holding State funds hereunder.
- (c) Prepare monthly reports to the STO within ten calendar days after the end of each month in the format requested by the STO. At a minimum,

EXHIBIT A
(Standard Agreement)

the reports shall include a summary of all activity by program, series, and maturity, a monthly bank statement, and a daily cash balance for the month.

- (d) Provide the STO at least annually with a copy of an internal or external audit report of the fiscal agent's registration and paying agent business.
- (e) Provide the STO within five days after the end of each month with a report that lists the amount of bonds outstanding (bonds that have not yet matured or have been called for redemption) by series as of the end of the previous month. (Example: report due by May 5th for data as of April 30)
- (f) Provide the STO within five days after the end of each month with a report that lists the number of checks and amount of each check that remain uncashed by bondholders and by issue date as of the end of the previous month. (Example: report due by May 5th for data as of April 30)

(4) Miscellaneous Requirements

- (a) Destroy canceled coupons and bonds and provide certificates of destruction pursuant to instructions from the STO.
- (b) Replace lost or stolen bonds following the protocol specified in instructions from the STO.
- (c) Use reasonable efforts to locate bondholders to make payment if a check or wire transfer is returned.
- (d) Maintain records in accordance with all federal and State requirements including SEC regulatory guidelines and requirements.
- (e) Provide periodic notices to bondholders at the request of the STO.
- (f) Charge bondholders fees or service charges only as authorized by instructions from the STO.
- (g) Respond as promptly as practicable to bondholder inquiries.
- (h) Upon the request of the STO, verify the accuracy of required documents related to transferring ownership of registered bonds managed by the STO.
- (i) Maintain an accurate and complete "stop file" for lost, stolen or destroyed bonds.
- (j) Make all records available during the fiscal agent's normal business hours for, and otherwise cooperate fully in, any audits that the State elects to conduct of the fiscal agent's books and records pertaining to the fiscal agent's duties hereunder up to three years after the termination of the Agreement.
- (k) Comply with all applicable provisions of the California Public Records Act (California Government Code Section 6250 *et seq.*) and the California Information Practices Act of 1977 (California Civil Code Section 1798.80 to 1798.86 *et seq.*) and California Government Code Section 5060.
- (l) Upon the request of the STO, provide a report that lists the most current address for bondholders.

(5) Ability to Handle Walk-Up Payments

The STO currently allows bondholders to present bonds and coupons for payment in person at the STO. The fiscal agent will be required to accommodate walk-up payments by identifying a bank office located in downtown Sacramento where bondholders will be able to receive payment for validly presented bonds by the close of the business day, if

EXHIBIT A (Standard Agreement)

requested. The bank office is not required to be an office of the fiscal agent's financial institution; a correspondent banking relationship is acceptable. The cost of providing the Sacramento branch location must be included as part of the total fee proposal submitted.

If a fiscal agent branch is not located in the Sacramento area, the STO will provide walk-up redemption services to bondholders during the STO's normal business operating hours. The fiscal agent will be required to provide blank checks and authorization to issue checks. In the event a bond(s) is presented, STO will contact the fiscal agent for a timely response to confirm validity. Same day checks will only be issued upon bondholder's request. All redeemed bond(s) will be sent to the fiscal agent with a copy of any presented check(s) and W-9 form.

(6) Separate Account, No Lien or Offset

- (a) The fiscal agent shall establish and maintain one or more bank accounts for the receipt and payment of funds hereunder. State funds held in each such account must be held in an eligible bank as defined by Government Code Section 16500 *et seq.*
- (b) Each account established by the fiscal agent under this Agreement shall be held separate and apart from all other funds of the fiscal agent and separate and apart from all other funds and accounts of the STO or of the State and shall be held in trust for the STO and shall be used solely per STO's instructions. The fiscal agent shall not have a lien on or any right of offset against any monies held in any such account.

(7) Investment of Funds in the Account

The STO will receive credit for all earnings on funds used for the payment of principal and interest from the time the funds are deposited with the fiscal agent until the recipient payment clears. It is required that all balances held by the fiscal agent, until such balances are actually drawn down after bondholder checks are presented to the fiscal agent for payment, will be available to generate earnings to the credit of the STO (e.g. the time the check is cashed and clears the account from which the check was drawn). This includes credit for the initial day's deposit of funds. Daily balances will include all collected funds held by the fiscal agent. These balances will also include the "float" resulted from uncashed registered and bearer bond interest checks. The fiscal agent will be required each month to provide a daily cash balance report for all accounts maintained under the Agreement and remit the earnings to the STO 10 days after the end of each month.

The STO requires that the earnings on the State's account shall be based on the monthly effective Federal Funds Rate published by the Board of Governors, Federal Reserve System. The measurement of equivalent earnings shall be calculated each month.

(8) Transfers of Funds to the Fiscal Agent

The fiscal agent shall request no later than 15 days prior to each scheduled payment date for funds to be deposited into such accounts in order to cover the payment of principal, interest, and redemption premium on each of the scheduled payment dates. The STO shall deposit in such accounts by wire transfer in same-day funds on that scheduled payment date by 10:00 a.m. PST, an amount equal to the requested deposit.

EXHIBIT A (Standard Agreement)

No such account shall be debited until the bondholder's payment clears (e.g., the time the check is cashed and clears the account from which the check was drawn).

(9) Fund Collateralization

Deposited funds must be secured with collateral in an amount that is no less than 110% of the amount deposited with the bank, excluding any portion of the deposit insured in accordance with United States law.

Collateral Provisions:

- (a) Collateral Level: 110% of principal or such collateral levels as required by California Government Code Sections 16520 - 16522.
- (b) Frequency of Valuation: The securities will be valued by the STO at least monthly, and on any substitution or withdrawal date. Market values shall be derived from average bid-ask prices quoted by the Collateral Agent, Bloomberg or another nationally recognized pricing service that is mutually agreed upon by the STO and the proposer.
- (c) Cure Period: One (1) business day.
- (d) Substitution: Full substitution rights. Substituted securities must be Eligible Collateral (defined below).
- (e) Substitution/Withdrawal Notice: The fiscal agent shall notify the STO at least one (1) business day in advance of any additions, substitutions, or withdrawals of cash and/or book-entry securities. Third-party Collateral Agents may specify different notice requirements.
- (f) Collateral Agent: All collateral will be delivered to the STO for the account of the STO selected third-party Collateral Agent. The STO currently has approved Citibank N.A. as Collateral Agent to hold collateral. The STO may designate one or more other Collateral Agents or replace a Collateral Agent during the term of the collateral requirement.
- (g) Eligible Collateral: California Government Code Sections 16520 - 16522 indicates the types of securities that are acceptable as collateral. Eligible Collateral will be accepted with the approval of the STO.

In the event the fiscal agent pledges Eligible Collateral, it will have good and marketable title to such Collateral, free and clear of any lien or encumbrance thereon. This Agreement shall provide that, to the extent any Eligible Collateral is to be delivered by the fiscal agent, it shall be deemed to have represented and granted to the Collateral Agent, for the benefit of the STO, a first perfected security interest in such Eligible Collateral and in any and all proceeds of and distributions on such Eligible Collateral.

The fiscal agent will limit the securities pledged as Eligible Collateral to ten (10) items or less for each individual fund or account that is the subject of this Agreement. The fiscal agent must provide a full description (including security name, and description, pool number or series, rate, CUSIP, issue date, maturity date, amount/par, original face, and outstanding principal) of securities to be utilized by the STO.

EXHIBIT A
(Standard Agreement)

(10) Transfer of Records upon Termination

On or before the date of termination of this Agreement, the fiscal agent will deliver to the STO, or to a successor fiscal agent as directed by the STO, documents and electronic files containing the information listed under paragraph F of this section and any other records in possession of the fiscal agent that the successor to the fiscal agent may reasonably request.

(11) Notices

All notices or other communications shall be given or made in writing and shall be delivered by mail (including electronic mail) or by fax. Any mailed notices should be sent certified or registered mail, postage prepaid, return receipt requested, and/or overnight delivery service.

EXHIBIT A
(Standard Agreement)

3. The project representatives during the term of this agreement will be:

State Agency: State Treasurer's Office	Contractor:
Name: Blake Fowler (Director of Public Finance Division)	Name:
Phone: 916-653-3451	Phone:
Fax: 916-653-4042	Fax:
Email: bfowler@treasurer.ca.gov	Email:

Direct all inquiries to:

State Agency: State Treasurer's Office	Contractor:
Section/Unit: Public Finance Division	Section/Unit:
Attention: Trustee Team	Attention:
Address: 915 Capitol Mall, Room 261	Address:
Phone: 916-653-3451	Phone:
Fax: 916-653-4042	Fax:
Email: sto@treasurer.ca.gov	Email:

EXHIBIT B
(Standard Agreement)

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Invoicing and Payment

- A. Contractor shall submit semi-annual invoices in arrears. All invoices for payment shall be for work already performed and no payments will be made in advance of services rendered. Invoices should be sent, in triplicate, stating the Contract Number to:

State Treasurer's Office
Director of Public Finance Division
915 Capitol Mall, Room 261
Sacramento, CA 95814

- B. The State Treasurer's Office shall make payment to Contractor as promptly as fiscal procedures permit for performance under this agreement and in accordance with invoices submitted. Payment is due to the Contractor 45 days from the date the services are received and accepted by the State Treasurer's Office or 45 days from the date a corrected invoice is received by the State Treasurer's Office, whichever is later.

2. Budget Contingency Clause

- A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

3. Prompt Payment Clause

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

EXHIBIT C
(Standard Agreement)

GENERAL TERMS AND CONDITIONS

Exhibit C to the Agreement, the General Terms and Conditions (04/2017), is hereby incorporated by reference and made part of this agreement as if attached hereto. The General Terms and Conditions (04/2017) can be viewed at <http://www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx>.

EXHIBIT D
(Standard Agreement)

SPECIAL TERMS AND CONDITIONS

1. Excise Tax

The State of California is exempt from federal excise taxes, and no payment will be made for any taxes levied on employees' wages. The State will pay for any applicable State of California or local sales or use taxes on the services rendered or equipment or parts supplied pursuant to this Agreement. California may pay any applicable sales and use tax imposed by another state.

2. Settlement of Disputes

In the event of a dispute, Contractor shall file a "Notice of Dispute" with a Deputy Treasurer of the State Treasurer's Office within ten (10) days of discovery of the problem. Within ten (10) days, the Deputy Treasurer shall meet with the representatives of Contractor and the State Treasurer's Office identified in Paragraph 3 of Exhibit A for purposes of resolving the dispute. The decision of the Deputy Treasurer shall be final.

In the event of a dispute, the language contained within this Agreement shall prevail over any other language including that of the bid proposal.

3. Evaluation of Contractor

Within sixty (60) days after the completion of this Agreement, the Contract Manager shall complete a written evaluation of Contractor's performance under this Agreement. If this Agreement is a contract for consultant services and if Contractor did not satisfactorily perform the work, a copy of the evaluation will be sent to the Department of General Services, Office of Legal Services, and to the Contractor within fifteen (15) working days of the completion of the evaluation.

4. No Agency Liability

The Contractor warrants by execution of this Agreement, that no person or selling agency has been employed or retained to solicit or secure this Agreement upon agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the State Treasurer's Office shall, in addition to other remedies provided by law, have the right to annul this Agreement without liability, paying only for the value of the work actually performed, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

5. Potential Subcontractors

Nothing contained in this Agreement or otherwise, shall create any contractual relation between the State Treasurer's Office and any subcontractors, and no subcontract shall relieve the Contractor of his responsibilities and obligations hereunder. The Contractor agrees to be as fully responsible to the State Treasurer's Office for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from the obligation of the State Treasurer's Office to make payments to the Contractor. As a result, the State Treasurer's Office shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.

EXHIBIT D
(Standard Agreement)

6. Force Majeure

Neither party to this Agreement shall be liable for damages resulting from delayed or defective performance when such delays arise out of causes beyond the control and without the fault or negligence of the offending party. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of the State in its sovereign capacity, fires, floods, power failure, disabling strikes, epidemics, quarantine restrictions, and freight embargoes.

7. Waivers

No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any right, power or privilege hereunder, nor any single or partial exercise of any right, power or privilege hereunder, preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

8. Incorporation of Amendments to Applicable Laws

Any references to sections of federal or state statutes or regulations shall be deemed to include a reference to any amendments thereof and any successor provisions thereto.

9. Confidentiality

All financial, statistical, personal, technical and other data and information relating to the operations of the State Treasurer's Office which are designated confidential by the State Treasurer's Office and become available to Contractor shall be protected by Contractor from unauthorized use and disclosure.

10. Attorney's Fees and Costs

In the event of any litigation between the parties to enforce or interpret the provisions of this Agreement, the non-prevailing party shall, unless both parties agree to the contrary, pay the expenses arising from such litigation, including reasonable attorney's fees, allocated costs for services of in-house counsel, and court costs, of the prevailing party. These expenses shall be in addition to any other relief to which the prevailing party may be entitled.

11. Titles/Section Headings

Titles and headings are not part of this Agreement; instead they are for convenience of reference only, and shall have no effect on the construction or legal effect of this Agreement.

12. Choice of Law

Notwithstanding Paragraph 14 of Exhibit C (General Terms and Conditions), this Agreement shall be administered, construed, and enforced according to the laws of the State of California (without regard to any conflict of laws provisions) to the extent such laws have not been preempted by applicable federal law. Any suit brought hereunder (including any action to compel arbitration or to enforce any award or judgment rendered thereby) shall be brought in state court sitting in Sacramento, California, the parties hereby waiving any claim or defense that such forum is not convenient or proper. Each party agrees that any such court shall have in personam jurisdiction over it and consents to service of process in any manner authorized by California law.

EXHIBIT D
(Standard Agreement)

13. Notices

The parties agree that to avoid unreasonable delay in the progress of the services performed hereunder, Contractor and the State Treasurer's Office have designated in Paragraph 3 of Exhibit A specific staff representatives for the purpose of communication between the parties. Any notice or other written communication required or which may be given hereunder shall be deemed given when delivered personally, or if mailed, three (3) days after the date of mailing, unless by express mail, telecopy or telegraph, then upon the date of confirmed receipt, to the representatives named in Paragraph 3 of Exhibit A.

Either party hereto may, from time to time by notice in writing served upon the other as aforesaid, designate a different mailing address or a different or additional person to which all such notices or demands thereafter are to be addressed.

14. Permits and Licenses

Contractor shall carry out its duties and responsibilities herein in accordance with, be limited in the exercise of its rights by, and observe and comply with, all federal, state, city and county laws, rules or regulations affecting services under this Agreement. Contractor shall procure and keep in full force and effect during the term of this Agreement all permits and licenses necessary to accomplish the work contemplated in this Agreement.

15. Books and Records

Contractor shall keep accurate books and records connected with the performance of this Agreement. Contractor shall ensure that books and records of subcontractors, suppliers, and other providers shall also be accurately maintained. Such books and records shall be kept in a secure location at the office of the Contractor and shall be available for inspection and copying by the State Treasurer's Office and its representatives at any time.

16. Additional Documents

Contractor and the State Treasurer's Office agree to execute such additional documents, and perform such further acts, as may be reasonable and necessary to carry out the provisions of this Agreement.

17. Key Personnel

- a. A resume for each member of Contractor's staff who will exercise a significant administrative, policy, or consulting role under this Agreement is attached to this Agreement as [*Attachment ____ / Exhibit ____*] These members of Contractor's staff shall be hereafter referred to (both individually and collectively) as "Key Personnel."
- b. Contractor shall not substitute, replace or reassign Key Personnel without the prior approval of the State Treasurer's Office and an amendment to this Agreement.
- c. This Agreement may be terminated immediately, in the sole discretion of the State Treasurer's Office and upon written notice from the State Treasurer's Office to Contractor, because of any change in or departure of any of the Key Personnel.

EXHIBIT D
(Standard Agreement)

18. Changes in Control, Organization or {Key Personnel}

Contractor shall promptly, and in any case within five (5) calendar days, notify the State Treasurer's Office in writing: (i) if any of Contractor's representations and warranties, as set forth in this Agreement, cease to be true at any time during the term of this Agreement; (ii) of any change in Contractor's staff who exercises a significant administrative, policy, or consulting role under this Agreement, including without limitation the Key Personnel; (iii) of any change in the majority ownership, control, or business structure of Contractor; or (iv) of any other material change in Contractor's business, partnership or corporate organization. All written notices from Contractor under this provision shall contain sufficient information to permit the State Treasurer's Office to evaluate the changes within Contractor's staff or organization under the same criteria as was used by the State Treasurer's Office in its award of this Agreement to Contractor. Contractor agrees to provide the State Treasurer's Office with such additional information as requested by the State Treasurer's Office.

19. Insurance Requirements

Contractor warrants that it carries adequate liability, worker's compensation and other necessary insurance and shall maintain such insurance at levels acceptable to the State Treasurer's Office in full force and effect during the term of this Agreement. Contractor agrees to furnish satisfactory evidence of this insurance coverage to the State Treasurer's Office upon request.

20. Subcontractors

- a. Contractor shall perform the work contemplated by this Agreement with resources available within its own organization except for subcontracted work identified in this Agreement or other attachment incorporated hereto. No other portion of the work pertinent to this Agreement shall be subcontracted without written authorization by the State Treasurer's Office. The subcontractor must be mutually agreed upon in advance by both parties.
- b. Contractor shall require that any subcontractor agree to be bound by all provisions of this Agreement, as applicable.

21. Notice of Proceedings

Contractor shall promptly notify the State Treasurer's Office in writing of any investigation, examination or other proceeding involving Contractor or any Key Personnel commenced by any regulatory agency, which proceeding is not conducted in the ordinary course of Contractor's business.

22. Cumulative Remedies

The rights and remedies provided herein are cumulative and are not exclusive of any rights or remedies that any party may otherwise have at law or in equity.

23. Binding Effect

This Agreement, any instrument or agreement executed pursuant to this Agreement, and the rights, covenants, conditions and obligations of Contractor and the State Treasurer's Office contained therein, shall be binding upon the parties and their successors, assigns and legal representatives.

EXHIBIT D
(Standard Agreement)

24. Publicity

No publicity release or announcement concerning this Agreement or the transactions contemplated herein shall be issued by Contractor without advance written approval by the State Treasurer's Office.

25. Services or Procurement Resulting from Agreement

Neither Contractor, nor any of its subsidiaries, officers or directors, may submit a bid or be awarded a contract for the provision of services, procurement of goods or supplies, or any other related action which is required, suggested, or otherwise deemed to be an outgrowth of the advice or recommendations that Contractor provides under this Agreement.

26. Agreement Does Not Violate Law

Contractor represents and warrants that neither the execution of this Agreement nor the acts contemplated hereby nor compliance by Contractor with any provisions hereof will:

- a. Violate any provision of the charter documents of Contractor;
- b. Violate any statute or law or ordinance or any judgment, decree, order, regulation or rule of any court or governmental authority applicable to Contractor; or
- c. Violate, or be in conflict with, or constitute a default under, or permit the termination of, or require the consent of any person under, any agreement to which Contractor may be bound, the violation of which in the aggregate would have a material adverse effect on the properties, business, prospects, earnings, assets, liabilities or condition (financial or otherwise) of Contractor.

27. Power and Authority

Contractor represents and warrants that it has the power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution of this Agreement has been duly authorized by Contractor and no other proceeding on the part of Contractor is necessary to authorize this Agreement. Contractor has completed, obtained and performed all registrations, filings, approvals, authorizations, consents or examinations required by any government or governmental authority for its acts contemplated by this Agreement.

28. Signature Authorization

The person signing this Agreement warrants that he/she is an agent of Contractor and is duly authorized to enter into this Agreement on behalf of Contractor.

29. Entire Agreement; Order of Precedence

- a. This Agreement, including documents that have been incorporated in this Agreement by reference, contains all representations and the entire understanding between the parties hereto with respect to the subject matter hereof. Any prior correspondence, memoranda or agreements are replaced in total by this Agreement.
- b. In the event there are any inconsistencies or ambiguities among the terms of this Agreement and incorporated documents, the following order of precedence shall be used: (i) applicable laws; (ii) the terms and conditions of this Agreement, including attachments; (iii) the RFP; (iv) Contractor's response to the RFP; and (v) any other provisions, terms, or materials incorporated herein.

EXHIBIT D
(Standard Agreement)

30. Termination at Option of the State Treasurer's Office

In addition to the provisions of Paragraph 7 of Exhibit C (General Terms and Conditions), this Agreement may be terminated in whole or in part at any time upon 180 calendar days' written notice by the State Treasurer's Office, for any reason. Upon receipt of a termination notice, Contractor shall promptly discontinue all services affected unless the notice specifies otherwise. In the event the State Treasurer's Office terminates all or a portion of this Agreement for any reason, it is understood that the State Treasurer's Office will provide payment to Contractor for satisfactory services rendered prior to the termination, but not in excess of the maximum amount of this Agreement.

31. Termination for Insolvency

Contractor shall notify the State Treasurer's Office immediately in writing in the event that Contractor files any federal bankruptcy action or state receivership action, any federal bankruptcy or state receivership action is commenced against Contractor, Contractor is adjudged bankrupt, or a receiver is appointed and qualifies. In the event of any of the foregoing events, or if the State Treasurer's Office determines, based on reliable information, that there is a substantial probability that Contractor will be financially unable to continue performance under this Agreement, the State Treasurer's Office may terminate this Agreement and all further rights and obligations immediately by giving five (5) days' notice in writing in the manner specified herein.

32. Convenience

If after notice of termination for failure to fulfill contract obligations, it is determined that Contractor had not so failed, the termination shall be deemed to have been effected for the convenience of the State Treasurer's Office.

33. Completion

In the event of termination for default, the State Treasurer's Office reserves the right to take over and complete the work by contract or other means. In such case, Contractor will be liable to the State Treasurer's Office for any additional cost incurred by the State Treasurer's Office to complete the work whether reimbursed or not.

34. Effect of Termination

All duties and obligations of the State Treasurer's Office and Contractor shall cease upon termination of this Agreement, except that:

- a. Each party shall remain liable for any rights, obligations, or liabilities arising from activities carried on by it under this Agreement prior to the effective date of termination; and
- b. Contractor shall provide for the return of all records of the State Treasurer's Office to the State Treasurer's Office or its designee and shall cooperate fully to effect an orderly transfer of services.

35. Termination for Expatriation

Contractor shall notify STO immediately in writing in the event that Contractor or its parent files any notice with the Securities and Exchange Commission that Contractor intends to reincorporate offshore. In the event of such notice, STO may terminate this Agreement and all further rights and obligations immediately by giving five days notice in writing in the manner specified herein.

EXHIBIT D
(Standard Agreement)

36. Compliance With Political Reform Act

[CONTRACTOR] acknowledges that the State Treasurer's Office is subject to the provisions of the Political Reform Act (Government Code Sections 81000, et seq., and all regulations adopted thereunder, including, but not limited to, California Code of Regulations Sections 18700, et. Seq.) and [CONTRACTOR] shall comply promptly with any requirement thereunder. If required by law, [CONTRACTOR] shall require its personnel, including without limitation, its Key Personnel all later substitutions therefore, to file Statements of Economic Interests in compliance with the Conflict of Interest Code for the Office of the State Treasurer and the various boards, authorities, commissions, and committees chaired by the State Treasurer, including the State Treasurer's Office (California Code of Regulations, Title 2, Division 2, Chapter 4, Section 1897). All such reports shall be filed simultaneously with the State Treasurer's Office.

37. Darfur Contracting Act

Effective January 1, 2009, all Invitations for Bids (IFB) or Requests for Proposals (RFP) for goods or services must address the requirements of the Darfur Contracting Act of 2008 (Act). (Public Contract Code sections 10475, et seq.; Stats. 2008, Ch. 272). The Act was passed by the California Legislature and signed into law by the Governor to preclude State agencies generally from contracting with "scrutinized" companies that do business in the African nation of Sudan (of which the Darfur region is a part), for the reasons described in Public Contract Code section 10475.

A scrutinized company is a company doing business in Sudan as defined in Public Contract Code section 10476. Scrutinized companies are ineligible to, and cannot, bid on or submit a proposal for a contract with a State agency for goods or services. (Public Contract Code section 10477(a).

Therefore, Public Contract Code section 10478 (a) requires a company that currently has (or within the previous three years has had) business activities or other operations outside of the United States to certify that it is not a "scrutinized" company when it submits a bid or proposal to a State agency. (See # 1 on the sample Attachment).

A scrutinized company may still, however, submit a bid or proposal for a contract with a State agency for goods or services if the company first obtains permission from the Department of General Services (DGS) according to the criteria set forth in Public Contract Code section 10477(b). (See # 2 on the sample Attachment).

Attachment 9 shall be included in an IFB or RFP to satisfy the Act's certification requirements of bidders and proposers.

EXHIBIT E
(Standard Agreement)

ADDITIONAL PROVISIONS

1. Terms of Agreement

The term of this Agreement is five years with an option for two one-year extensions, beginning on September 1, 2017 and terminating on August 31, 2022, unless terminated earlier pursuant to Exhibit D, paragraph 29 or 30 or any other provision of this agreement.

2. Independent Contractor

Contractor and Contractor's personnel shall operate as independent contractors and shall not be considered as employees of the State Treasurer's Office or the State of California.

3. Bondholder Records

The State Treasurer's Office hereby represents and warrants that the bondholder records delivered by the State Treasurer's Office, its agents or vendors, to the Contractor are true and correct as of the date of such delivery and that the record delivered for each bondholder reflects the respective outstanding certificate numbers and principal amount or coupon value irrespective of whether the record represents a matured or outstanding obligation of the State of California. Contractor is hereby authorized and entitled to rely on the accuracy and completeness of such records and the State Treasurer's Office takes responsibility for their accuracy and completeness.

In the event a bond or coupon that is not reflected as still outstanding in the records provided by the State Treasurer's Office, its agents or vendors, to the Contractor is presented to the Contractor for payment, Contractor is hereby directed and agrees to immediately deliver such bond or coupon to the State Treasurer's Office. Upon such delivery, Contractor is relieved of any responsibility with respect to such bond or coupon.

Contractor shall be reimbursed for its reasonable costs (not to exceed the maximum amount set forth in the Standard Agreement From STD 213), including reasonable costs incurred as a result of liability Contractor incurs to third parties, which costs are incurred as a result of Contractor's reasonable reliance upon bondholder records delivered by the State Treasurer's Office, its agents or vendors, which records are not true and correct in any material respect.

4. Indemnification

Notwithstanding paragraph 5 of the General Terms and Conditions, it is hereby added that Contractor shall indemnify, defend and save harmless the State of California, the State Treasurer's Office and all of the officers, trustees, agents and employees of the foregoing, from and against any and all losses, costs, liabilities, damages or deficiencies, including interest, penalties and attorney's fees, which (a) arise out of or due to a breach by Contractor of any of its representations, warranties, covenants or other obligations contained in this agreement, or (b) are caused by or resulting from Contractor's acts or omissions constituting bad faith, willful misfeasance, negligence or reckless disregard of its duties under this agreement, or (c) accrue or result to any Contractor's subcontractors, materialmen, laborers or any other person, firm or corporation furnishing or supplying services, material or supplies in connection with the performance of this agreement.

EXHIBIT E
(Standard Agreement)

5. **Confidentiality**

The requirements of confidentiality under this Agreement apply to the Contractor, its employees and agents, and to all affiliates, related parties, subsidiaries, and subcontractors, and to their employees and agents.

(a) All financial, statistical, personnel, technical and other data or information relating to STO's operation which is considered confidential as defined by law or is designated as confidential by STO and is made available to the Contractor in order to carry out this Agreement, shall be protected by the Contractor from unauthorized use, disclosure or destruction through the observance of all applicable federal and California State information security and confidentiality laws and procedural requirements.

(b) The Contractor shall implement and maintain a Confidentiality Program and Privacy Policy, which collectively establish policies and procedures designed to prevent the unauthorized disclosure of confidential data, and define what is considered confidential data and what is considered public data. STO shall respond to questions by the Contractor regarding the classification of data. STO shall have the opportunity, if desired, to review all related policies and procedures. Confidentiality Program and Privacy Policy policies and procedures must include, but are not limited to:

- (i) Secure systems development practices utilizing industry standards.
- (ii) Software testing program utilizing industry best practices prior to production to ensure system and data integrity.
- (iii) Operating system security patches, upgrades, and anti-virus software.
- (iv) Access controls to STO data with no generic account access.
- (v) Disaster recovery plan to protect STO data in the event of data loss or destruction.
- (vi) Standards for the transmission and storage of data. At a minimum, confidential information must be encrypted in transit, and at rest on portable storage devices.

(c) The Confidentiality Program and Privacy Policy shall be implemented and maintained in accordance with all applicable federal, State, and STO requirements, including but not limited to:

- (i) Section I of Article I of the State of California Constitution;
- (ii) Information Practices Act of 1977 (Civil Code Sections 1798 – 1798.78);
- (iii) Civil Code Sections 1798.80 – 1798.86;
- (iv) Financial Information Privacy Act (Financial Code Sections 4050 – 4060);
- (v) California Public Records Act (Government Code Sections 6250 – 6268); and
- (vi) Online Privacy Protection Act of 2003 (Business and Professions Code Sections 22575 – 22579).
- (vii) State Administrative Manual Section 5300 Information Security.

(d) The Contractor shall not disclose any information classified as confidential or private without advance authorization from the Executive Director or as required by law.

(e) The Contractor shall not be required to keep confidential any data or information which is or becomes publicly available, is independently developed by the Contractor, or is rightfully obtained from third parties.

(f) The Contractor certifies that it understands and is in conformance with all applicable federal and State information security and confidentiality laws and requirements.

(g) The Contractor represents, warrants and covenants that it has implemented and will maintain, as part of its Confidentiality Program and Privacy Policy an information security

EXHIBIT E
(Standard Agreement)

program reasonably designed to protect confidential data, which program includes administrative, technical and physical safeguards to ensure the security of such confidential data, to protect against anticipated threats or hazards to the security or integrity of such confidential data and to protect against unauthorized access to or use of such confidential data.

(h) The Contractor specifically agrees that it shall not, and shall cause its affiliates, related parties, subsidiaries, or subcontractors not to, sell, provide or otherwise disclose information from, any Program List to any third party unless otherwise directed to or approved by STO or required by Applicable Law.

(i) STO staff may conduct on-site visits to Contactor facilities to ensure STO data is protected per the requirements contained in this confidentiality statement.

(j) The Contractor shall notify STO's Public Finance Division and the STO Chief Information Security Officer simultaneously (by phone: 916-653-4047; by email: aiso@treasurer.ca.gov) if the Contractor suspects or has confirmed a security incident such as breach or loss of data. Notification to the Public Finance Division and the STO Chief Information Security Officer must occur no more than four hours after a suspected or confirmed security incident.

6. Non or Limited English Proficient Public Access

By signing this contract, the Contractor hereby certifies that it will provide equal access of services to non- or limited-English speaking holders of State of California bonds.