



Alaska Permanent Fund Corporation

801 W. 10th Street, Suite 302 Juneau, AK 99801

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Informal Request for Proposal APFC-004-FY15 – Exchange Traded Funds Implementation Consulting

March 27, 2015

Purpose and Background:

The Alaska Permanent Fund Corporation (APFC) is seeking a qualified systems analyst to implement electronic trading of Exchange Traded Funds (ETF). APFC is using Bloomberg EMSX as our trading platform, Charles River CRIMS v9.1 as our Trade Order Management System, Omgeo CTM for settlement, and QED for our Book of Records. APFC uses unsolicited workflow for trading. We provide direct feeds to QED for record keeping, Barclays Point for analytics, and Bank of New York Mellon (our custodian bank).

General Scope of Services:

- Setup of ETF securities in CRIMS.
- Configuration to receive ETF securities in CRIMS from Bloomberg EMSX in an unsolicited workflow over FIX.
- Security enrichment process in CRIMS via Bloomberg SAPI and Data license.
- Commissions and Broker setup in CRIMS.
- Add Compliance rule(s) in CRIMS.
- Create View/Blotter/Profiles in CRIMS for orders, placement and fills.
- Create Manager Workbench view in CRIMS for IM's.
- Modify QED export as required to support ETFs.
- Modify custodian export as required to support ETFs.
- Modify Point Analytics import/export process to support ETFs.
- Evaluate using Omgeo CTM for post-trade matching.
- Provide documentation of system changes
- Test workflow with mock ETF trades
- Provide training to fixed income, middle office and IT staff on respective processes
- Assist with resolving any problems with the first few production ETF trades

Minimum Requirement:

- **The consultant must have at least two previous experiences implementing ETFs in CRIMS v9.x where trades are received via Bloomberg over a FIX connection.**

The proposal must include:

1. Consultant's resume
2. Client references from two similar projects
3. Brief narrative which explains the proposed implementation plan
4. Cost proposal which must include an hourly labor rate and total fixed price to complete the items listed in the General Scope of Services section (do not include travel costs)

Evaluation Criteria:

- Cost 40% - A total of forty points will be allocated to cost (please see the attachment for sample formula used to convert cost to points)
- Proposal Evaluation 50% - Within the proposal evaluation, the following weighting will apply:
 - Resume – 50%
 - Client References – 30%
 - Narrative – 20%
- Alaskan Offeror's Preference 10%

Stipulations:

- Proposals that do not meet the minimum requirement will be deemed non-responsive and will not be evaluated.
- APFC has budgeted \$30,000 for this body of work; cost proposals over \$40,000 will not be considered.
Proposals will be received until no later than 4:00pm Alaska Time, Friday April 17, 2015.
- Proposals must be valid for 30 days.
- Travel reimbursements shall follow the State of Alaska travel policies. We expect that the consultant will be on-site for a minimum of one week.
- AS 36.30.110(b) and AS 36.30.210(e) require that offerors possess a valid Alaska business license at the time the contract is awarded. Purchase a business license through the Alaska Department of Commerce website: <http://commerce.alaska.gov/dnn/cbpl/home.aspx>
- Offerors must possess and maintain insurance at the time the contract is awarded. Please see Appendix B² for details.
- Proposals may be submitted by mail, e-mail or fax at the following address:

Alaska Permanent Fund Corporation
Attn: Katy Giorgio
801 W. 10th Street, Suite 302
Juneau, AK 99801
kgiorgio@apfc.org
Phone: 907-796-1501
Fax: 907-463-1573

APPENDIX B² INDEMNITY AND INSURANCE

Article 1. Indemnification

The Contractor shall indemnify, hold harmless, and defend the contracting agency from and against any claim of, or liability for error, omission or negligent act of the Contractor under this agreement. The Contractor shall not be required to indemnify the contracting agency for a claim of, or liability for, the independent negligence of the contracting agency. If there is a claim of, or liability for, the joint negligent error or omission of the Contractor and the independent negligence of the Contracting agency, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "Contractor" and "Contracting agency", as used within this and the following article, include the employees, agents and other contractors who are directly responsible, respectively, to each. The term "independent negligence" is negligence other than in the Contracting agency's selection, administration, monitoring, or controlling of the Contractor and in approving or accepting the Contractor's work.

Article 2. Insurance

Without limiting contractor's indemnification, it is agreed that contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the contractor's policy contains higher limits, the state shall be entitled to coverage to the extent of such higher limits. Certificates of Insurance must be furnished to the contracting officer prior to beginning work and must provide for a notice of cancellation, non-renewal, or material change of conditions in accordance with policy provisions. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach of this contract and shall be grounds for termination of the contractor's services. All insurance policies shall comply with and be issued by insurers licensed to transact the business of insurance under AS 21.

2.1 Workers' Compensation Insurance: The Contractor shall provide and maintain, for all employees engaged in work under this contract, coverage as required by AS 23.30.045, and; where applicable, any other statutory obligations including but not limited to Federal U.S.L. & H. and Jones Act requirements. The policy must waive subrogation against the State.

2.2 Commercial General Liability Insurance: covering all business premises and operations used by the Contractor in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per claim.

2.3 Commercial Automobile Liability Insurance: covering all vehicles used by the Contractor in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per claim.

2.4 Professional Liability Insurance: covering all errors, omissions or negligent acts in the performance of professional services under this agreement. Limits required per the following schedule:

Contract Amount	Minimum Required Limits
Under \$100,000	\$300,000 per Claim / Annual Aggregate
\$100,000-\$499,999	\$500,000 per Claim / Annual Aggregate
\$500,000-\$999,999	\$1,000,000 per Claim / Annual Aggregate
\$1,000,000 or over	Refer to Risk Management

State of Alaska
Alaska Permanent Fund Corporation
Travel Policy Summary for Contractors

	Reimbursement Level	Receipts Required by APFC	Notes
Roundtrip Coach Airfare	100%*	Yes	*Reimbursement not to exceed most direct routing
Actual Lodging Costs	Actual cost*	Yes	*Lodging must be at a reasonably priced hotel and shall not exceed \$300 per night excluding taxes.
Rental car	100%*	Yes	*Up to mid-size unless several travelers are traveling together and a larger car is necessary.
Actual meal cost for traveler	None	No*	*A daily per diem will be paid that is meant to cover meals and incidental expenses based on city of travel using federal M&IE rates.
Meal Allowance	Varies*	No	*A daily meal allowance will be provided based on the city of travel. Federal meal rates will be used according to city of travel.
Mileage	0.565	Yes*	*Mileage log and trip details
Alcohol	None		
Taxi, Shuttle, Parking, Fuel, Trains	100%*	Yes	*Not to exceed 7 days of airport parking
Phone, Fax, Internet	100%*	Yes	*Use for APFC related business will be reimbursed.
Movies / other entertainment expenses	None		

Notes: The APFC will reimburse only for the costs associated with the most direct and efficient means of travel for APFC business. Any additional time or expense resulting from an interruption or deviation for traveler or for the contractor's convenience shall be borne solely by the contractor.

Reimbursements will be calculated for the minimum itinerary that is required to conduct APFC business without regard to the actual itinerary. If a modified itinerary is planned, then at the time of booking that itinerary the contractor should secure a comparison quote reflecting the cost of the most direct APFC business routing. If a comparison quote is not presented, then APFC will obtain a quote for the lowest fare currently available for the APFC business routing, and APFC will reimburse the lesser amount of either the ticket purchased or the APFC-authorized fare quote.

The federal M&IE rates can be found at: <http://www.gsa.gov/portal/content/104877>. The federal M&IE rate to apply is based on the city where the overnight lodging occurred. A M&IE will be applied only to those days spent in travel status for the most direct APFC business routing.

Requests for reimbursement must include all required receipts and a detailed business itinerary/trip purpose explanation. Prompt

5 Percent Alaska Bidder Preference

An Alaska Bidder Preference of five percent will be applied to the price in the proposal. The preference will be given to an offeror who:

- (1) holds a current Alaska business license prior to the deadline for receipt of proposals;
- (2) submits a proposal for goods or services under the name appearing on the offeror's current Alaska business license;
- (3) has maintained a place of business within the state staffed by the offeror, or an employee of the offeror, for a period of six months immediately preceding the date of the proposal;
- (4) is incorporated or qualified to do business under the laws of the state, is a sole proprietorship and the proprietor is a resident of the state, is a limited liability company (LLC) organized under AS 10.50 and all members are residents of the state, or is a partnership under AS 32.06 or AS 32.11 and all partners are residents of the state; and
- (5) if a joint venture, is composed entirely of ventures that qualify under (1)-(4) of this subsection.

Alaska Bidder Preference Affidavit

In order to receive the Alaska Bidder Preference, the proposal must include a statement certifying that the offeror is eligible to receive the Alaska Bidder Preference.

Formula Used to Convert Cost to Points

The lowest cost proposal will receive the maximum number of points allocated to cost. The point allocations for cost on the other proposals will be determined through the method set out below. In the generic example below, cost is weighted as 40% of the overall total score. The weighting of cost may be different in your particular RFP.

EXAMPLE

Formula Used to Convert Cost to Points

[STEP 1]

List all proposal prices, adjusted where appropriate by the application of all applicable preferences.

Offeror #1 - Non-Alaskan Offeror	\$40,000
Offeror #2 - Alaskan Offeror	\$42,750
Offeror #3 - Alaskan Offeror	\$47,500

[STEP 2]

Convert cost to points using this formula.

$$\frac{[(\text{Price of Lowest Cost Proposal}) \times (\text{Maximum Points for Cost})]}{(\text{Cost of Each Higher Priced Proposal})} = \text{POINTS}$$

The RFP allotted 40% (40 points) of the total of 100 points for cost.

Offeror #1 receives 40 points.

The reason they receive that amount is because the lowest cost proposal, in this case \$40,000, receives the maximum number of points allocated to cost, 40 points.

Offeror #2 receives 37.4 points.

$$\begin{array}{ccccccc}
 \$40,000 & \times & 40 & = & 1,600,000 & \div & \$42,750 & = & 37.4 \\
 \text{Lowest} & & \text{Max} & & & & \text{Offeror \#2} & & \text{Points} \\
 \text{Cost} & & \text{Points} & & & & \text{Adjusted By} & & \\
 & & & & & & \text{The Application Of} & & \\
 & & & & & & \text{All Applicable} & & \\
 & & & & & & \text{Preferences} & &
 \end{array}$$

Offeror #3 receives 33.7 points.

$$\begin{array}{ccccccc}
 \$40,000 & \times & 40 & = & 1,600,000 & \div & \$47,500 & = & 33.7 \\
 \text{Lowest} & & \text{Max} & & & & \text{Offeror \#3} & & \text{Points} \\
 \text{Cost} & & \text{Points} & & & & \text{Adjusted By} & & \\
 & & & & & & \text{The Application Of} & & \\
 & & & & & & \text{All Applicable} & & \\
 & & & & & & \text{Preferences} & &
 \end{array}$$

Alaska Offeror Preference

2 AAC 12.260(e) provides Alaska offerors a 10 percent overall evaluation point preference. Alaska bidders, as defined in AS 36.30.990(2), are eligible for the preference. An Alaska offeror will receive 10 percent of the total available points added to their overall evaluation score as a preference.

EXAMPLE

Alaska Offeror Preference

[STEP 1]

Determine the number of points available to Alaskan offerors under the preference.

Total number of points available - 100 Points

$$\begin{array}{ccccccc}
 100 & \times & 10\% & = & 10 \\
 \text{Total Points} & & \text{Alaskan Offerors} & & \text{Number of Points} \\
 \text{Available} & & \text{Percentage Preference} & & \text{Given to Alaskan Offerors} \\
 & & & & \text{Under the Preference}
 \end{array}$$

[STEP 2]

Add the preference points to the Alaskan offers. There are three offerors: Offeror #1, Offeror #2, and Offeror #3. Offeror #2 and Offeror #3 are eligible for the Alaska Offeror Preference. For the purpose of this example presume that all of the proposals have been completely evaluated based on the evaluation criteria in the RFP. Their scores at this point are:

Offeror #1 - 89 points
Offeror #2 - 80 points
Offeror #3 - 88 points

Offeror #2 and Offeror #3 each receive 10 additional points. The final scores for all of the offers are:

Offeror #1 - 89 points
Offeror #2 - 90 points
Offeror #3 - 98 points

Offeror #3 is awarded the contract.