

AMENDED
REQUEST FOR PROPOSALS FOR
TRUSTEE AND CUSTODY SERVICES

ISSUING OFFICE

**Pennsylvania Turnpike Commission
Finance/Administration Department**

RFP
11-67000-3041

DATE OF AMENDMENT
June 27, 2011

AMENDED
REQUEST FOR PROPOSALS FOR
TRUSTEE AND CUSTODY SERVICES
11-67000-3041

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PART I

GENERAL INFORMATION

I-1. Purpose. This request for proposals (RFP) provides interested firms with sufficient information to enable them to prepare and submit proposals for consideration by the Pennsylvania Turnpike Commission to satisfy a need for Trustee and Custody Services.

I-2. Background. The Pennsylvania Turnpike Commission issues bonds to finance various capital expenditures, to fund payments required to be made to PennDOT under Act 44 and to refinance existing debt obligations. Bonds have been issued under four separate indentures (Senior, Subordinate, Oil Franchise Tax and Motor Vehicle Registration Fee). The Commission anticipates that it will borrow substantial additional funds for purposes of funding capital expenditures for the System and payments under Act 44 under both the Senior and Subordinate indentures. No additional borrowings under the other two indentures are contemplated at this time. The Commission also utilizes custody services for certain non-trusted funds of the Commission. Appendix C Lists the number of bond issues outstanding, the number of accounts associated with the issue and the number of non-indentured accounts.

I-3. Issuing Office. This RFP is issued for the Commission by the **Office of the Chief Financial Officer, Pennsylvania Turnpike Commission, P.O. Box 67676, Harrisburg, PA 17106-7676**. All questions regarding this RFP must be directed to the office pursuant to the process identified in Section I-10 below. No questions will be addressed except through such process.

I-4. Scope. This RFP contains instructions governing the proposals to be submitted and the material to be included therein; a description of the service to be provided; requirements which must be met to be eligible for consideration; general evaluation criteria; and other requirements to be met by each proposal.

I-5. Problem Statement.

A. General Description

The Commission is soliciting proposals from qualified financial institutions interested in providing bond trustee and/or custody services. The Commission intends to select those firms that best meet the Commission's selection criteria, as identified in Section III-3 of this RFP.

B. Requested Services

The PTC will require bond trustee services for four separate indentures and custody services for non-indentured funds. Each of the indentures has multiple accounts containing investments that must comply with the permitted investment language of the specific indenture as well as the Commission's Investment Policy. Investment accounts will be maintained for but not limited to the Commission's general funds, construction funds, and proceeds of future bond issues.

The services requested will include the following:

- Establish and maintain various funds as required by bond indenture upon the issuance of bonds.
- Perform complete trustee functions for one or more future bond issues. Act as registrar, paying agent, and tender agent.
- Manage all funds and accounts according to the provisions of the Indenture and in compliance with federal tax law.
- Process security trades per instructions received by authorized persons.
Provide a short-term investment vehicle for uninvested balances in custody/trust accounts.
- Provide a daily bank statement upload file for SAPTM in the recommended BAI2 format. The preferred transmission method for the daily bank statement files is for the bank to transmit the files from the Bank server to the Pennsylvania Turnpike Commission server via a secure FTP process. Details on BAI2 standards can be found at www.bai.org / www.x9.org. See Appendix D (entitled Electronic Bank Statement Implementation Requirements for Commercial and Wealth Management / Trust Accounts) describes the Pennsylvania Turnpike's expectations.
- Provide monthly activity statements and reports including the market value of all portfolio holdings
- Provide online web access to account and investment information related to transactions, balances, market values, etc.
- Monitor reserve funds to ensure that amounts required by the Bond Indentures are maintained.
- Provide detailed monthly reporting of all transactions in all funds or accounts identified in the Bond Indenture by account, to be received by the 5th day of the following month, and prepare such other reports as the Commission may request.
- Pay or transfer funds to issuer or others as requested by the Commission for costs of issuance, funding of loan originations or purchases, and other expenses provided for in the Indenture.
- Attend Commission Meetings of the Pennsylvania Turnpike Commission, as requested.

I-6. Type of Contract. The Commission currently intends that multiple contracts will be awarded for the contemplated services. The Commission may in its sole discretion undertake negotiations with proposers whose proposals as to experience, capabilities, approach and price, among other factors, show them to be qualified, responsible and capable of performing the required work.

I-7. Rejection of Proposals. The Commission reserves the right to reject any and all Proposals received as a result of this request, or to negotiate separately with competing Proposers.

I-8. Incurring Costs. The Commission is not liable for any costs incurred by firms in their preparation and submission of Proposals, in participating in the RFP process or in anticipation of award of trustee service opportunities.

I-9. Subcontracting. Any use of subcontractors by a proposer must be identified in the proposal. During the contract period use of any subcontractors by the selected Proposer, which were not previously identified in the proposal, must be approved in advance in writing by the Commission.

A firm that responds to this solicitation as a prime may not be included as a designated subcontractor to another firm that responds to the same solicitation. **Multiple responses under any of the foregoing situations may cause the rejection of all responses of the firm or firms involved.** This does not preclude a firm from being set forth as a designated subcontractor to more than one prime contractor responding to the project advertisement.

I-10. Questions and Answers. Written questions may be submitted to clarify any points in the RFP that may not have been clearly understood. Written questions should be submitted via email to RFP-Q@paturndpike.com with “RFP 11-67000-3041” in the subject line, to be received no later than **4:00 pm, EDT Friday, July 1, 2011**. All questions and written answers will be posted to the website as an addendum to and become part of this RFP. No questions regarding the RFP will be addressed except through this process.

I-11. Addenda to the RFP. If it becomes necessary to revise any part of this RFP before the response date, addenda will be posted to the Commission’s website (www.paturndpike.com) under the original RFP document. It is the responsibility of all firms to periodically check the website for any new information or addenda to the RFP.

The Commission may revise a published advertisement. If the Commission revises a published advertisement less than ten days before the RFP due date, the due date will be extended to maintain the minimum ten-day advertisement duration if the revision alters the project scope or selection criteria. Firms are responsible to monitor advertisements/addenda to ensure the submitted proposal complies with any changes in the published advertisement.

I-12. Response. To be considered, Proposals must be delivered to the Pennsylvania Turnpike Commission’s Contracts Administration Department, Attention: Wanda Metzger, on or before **12:00 pm EDT, Friday, July 8, 2011**. The Pennsylvania Turnpike Commission is located at 700 South Eisenhower Boulevard, Middletown, PA 17057 (Street address). Our mailing Address is P. O. Box 67676, Harrisburg, PA 17106.

Please note that use of U.S. Mail delivery does not guarantee delivery to this address by the above listed time for submission. Proposers should allow sufficient delivery time to ensure timely receipt of their proposals. If the Commission office location to which Proposals are to be delivered is closed on the response date, due to inclement weather, natural disaster, or any other cause, the deadline for submission shall be automatically extended until the next Commission business day on which the office is open. Unless the Commission otherwise notifies Proposers, the time for submission of responses shall remain the same.

I-13. Proposals. To be considered, Proposers should submit a complete response to this RFP, using the format provided in PART II. Each proposal should be submitted in **Ten (10)** hard copies and **one complete and exact** copy of the technical proposal on CD-ROM in Microsoft Office or Microsoft Office-compatible format to the Contracts Administration Department. The Proposer will make no other distribution of proposals. Each proposal page should be numbered for ease of reference. Proposals must be signed by an official authorized to bind the Proposer to its provisions and include the Proposer’s Federal Identification Number. For this RFP, the proposal must remain valid for at least 120 days from the proposal due date. Moreover, the contents of the proposal of the selected Proposer will become contractual obligations if a contract is entered into.

Each and every Proposer submitting a proposal specifically waives any right to withdraw or modify it, except as hereinafter provided. Proposals may be withdrawn by written or telefax notice received at the Commission's address for proposal delivery prior to the exact hour and date specified for proposal receipt. However, if the Proposer chooses to attempt to provide such written notice by telefax transmission, the Commission shall not be responsible or liable for errors in telefax transmission. A Proposer or its authorized representative may also withdraw a proposal in person, provided its identity is made known and it signs a receipt for the proposal, but only if the withdrawal is made prior to the exact hour and date set for proposal receipt. A proposal may only be modified by the submission of a new sealed proposal or submission of a sealed modification, which complies, with the requirements of this RFP.

I-14. Economy of Preparation. Proposals should be prepared simply and economically, providing a straightforward, concise description of the Proposer's ability to meet the requirements of the RFP.

I-15. Discussions for Clarification. Proposers who submit proposals may be required to make an oral or written clarification of their proposals to the Commission staff to ensure thorough mutual understanding and Proposer responsiveness to the solicitation requirements. The Issuing Office will initiate requests for clarification.

I-16. Best and Final Offers. The Commission reserves the right to conduct discussions with Proposers for obtaining "best and final offers." To obtain best and final offers from Proposers, the Issuing Office may do one or more of the following: a) enter into pre-selection negotiations; b) schedule oral presentations; and c) request revised proposals. The Commission will limit any discussions to responsible Proposers whose proposals the Commission has determined to be reasonably susceptible of being selected for award.

I-17. Prime Proposer Responsibilities. The selected Proposer will be required to assume responsibility for all services offered in its proposal whether or not it produces them. Further, the Commission will consider the selected Proposer to be the sole point of contact with regard to contractual matters.

I-18. Proposal Contents. Proposals will be held in confidence and will not be revealed or discussed with competitors, unless disclosure is required to be made (i) under the provisions of any Commonwealth or United States statute or regulation; or (ii) by rule or order of any court of competent jurisdiction. All material submitted with the statement becomes the property of the Pennsylvania Turnpike Commission and may be returned only at the Commission's option. Proposals submitted to the Commission may be reviewed and evaluated by any person other than competing Proposer at the discretion of the Commission. The Commission has the right to use any or all ideas presented in any response. Selection or rejection of the responding firm does not affect this right.

In accordance with the Pennsylvania Right-to-Know Law (RTKL), 65 P.S. § 67.707 (Production of Certain Records), Proposer shall identify any and all portions of their Proposal that contains confidential proprietary information or is protected by a trade secret. Proposals shall include a written statement signed by a representative of the company/firm identifying the specific portion(s) of the response that contains the trade secret or confidential proprietary information. Proposer should note that "trade secrets" and "confidential proprietary information" are exempt from access under Section 708(b) (11) of the RTKL. Section 102 defines both "trade secrets" and "confidential proprietary information" as follows:

- Confidential proprietary information: Commercial or financial information received by an agency: (1) which is privileged or confidential; **and** (2) the disclosure of which would cause substantial harm to the competitive position of the person that submitted the information.
- Trade secret: Information, including a formula, drawing, pattern, compilation, including a customer list, program, device, method, technique or process that: (1) derives independent economic value, actual or potential, from not being generally known to and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use; **and** (2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. The term includes data processing software by an agency under a licensing agreement prohibiting disclosure.

65 P.S. §67.102 (emphasis added). The Office of Open Records has determined that a third party must establish a trade secret based upon factors established by the appellate courts, which include the following:

- the extent to which the information is known outside of his business;
- the extent to which the information is known by employees and others in the business;
- the extent of measures taken to guard the secrecy of the information;
- the value of the information to his business and to competitors;
- the amount of effort or money expended in developing the information; and
- the ease of difficulty with which the information could be properly acquired or duplicated by others.

See Crum v. Bridgestone/Firestone North Amer. Tire., 907 A.2d 578, 585 (Pa. Super. 2006).

The Office of Open Records also notes that with regard to “confidential proprietary information the standard is equally high and may only be established when the party asserting protection shows that the information at issue is either ‘commercial’ or ‘financial’ and is privileged or confidential, and the disclosure **would** cause substantial competitive harm.” (Emphasis in original).

For more information regarding the RTKL, visit the Office of Open Records’ website at www.openrecords.state.pa.us.

I-19. Debriefing Conferences. Proposers whose firms are not selected will be notified of the name of the selected Proposer and given the opportunity to be debriefed, at the Proposer’s request. The Issuing Office will schedule the time and location of the debriefing. The Proposer will not be compared with other Proposers, other than the position of its response in relation to all other proposals.

I-20. News Releases. News releases pertaining to this project will not be made without prior Commission approval, and then only in coordination with the Issuing Office.

I-21. Cost Submittal. The cost submittal shall be placed in a separately sealed envelope within the sealed proposal and kept separate from the technical submittal. **Failure to meet this requirement may result in disqualification of the proposal.**

I-22. Term of Contract. The term of the contract will commence on the Effective Date (as defined below) and will be for three (3) years from that date with options of up to two (2) one-year contract extensions. The Commission shall fix the Effective Date after the contract has been fully executed by the Contractor and by the Commission and all approvals required by Commission contracting procedures have been obtained.

I-23. Proposer's Representations and Authorizations. Each Proposer by submitting its Proposal understands, represents, and acknowledges that:

- a. All information provided by, and representations made by, the Proposer in the proposal are material and important and will be relied upon by the Issuing Office in awarding the contract(s). Any misstatement, omission or misrepresentation shall be treated as fraudulent concealment from the Issuing Office of the true facts relating to the submission of this proposal. A misrepresentation shall be punishable under 18 Pa. C.S. 4904.
- b. The price(s) and amount of this proposal have been arrived at independently and without consultation, communication or agreement with any other Proposer or potential Proposer.
- c. Neither the price(s) nor the amount of the proposal, and neither the approximate price(s) nor the approximate amount of this proposal, have been disclosed to any other firm or person who is a Proposer or potential Proposer, and they will not be disclosed on or before the proposal submission deadline specified in the cover letter to this RFP.
- d. No attempt has been made or will be made to induce any firm or person to refrain from submitting a proposal on this contract, or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal or other form of complementary proposal.
- e. The proposal is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal.
- f. To the best knowledge of the person signing the proposal for the Proposer, the Proposer, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last four (4) years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding or proposing on any public contract, except as disclosed by the Proposer in its proposal.
- g. To the best of the knowledge of the person signing the proposal for the Proposer and except as otherwise disclosed by the Proposer in its proposal, the Proposer has no outstanding, delinquent obligations to the Commonwealth including, but not limited to, any state tax liability not being contested on appeal or other obligation of the Proposer that is owed to the Commonwealth.
- h. The Proposer is not currently under suspension or debarment by the Commonwealth, or any other state, or the federal government, and if the Proposer cannot certify, then it shall submit along with the proposal a written explanation of why such certification cannot be made.
- i. The Proposer has not, under separate contract with the Issuing Office, made any recommendations to the Issuing Office concerning the need for the services described in the proposal or the specifications for the services described in the proposal.

- j. Each Proposer, by submitting its proposal, authorizes all Commonwealth agencies to release to the Commission information related to liabilities to the Commonwealth including, but not limited to, taxes, unemployment compensation, and workers' compensation liabilities.

PART II

INFORMATION REQUIRED FROM PROPOSERS

Proposals must be submitted in the format, including heading descriptions, outlined below. To be considered, the response must respond to all requirements in this part of the RFP. Any other information thought to be relevant, but not applicable to the enumerated categories, should be provided as an appendix to the Proposal. Each proposal shall consist of two (2) separately sealed submittals. The submittals are as follows: (i) Technical Submittal and Response to Diversity Questionnaire, in response to Parts II-1 through II-2 hereof; (ii) Cost Submittal, in response to Part II-3 hereof.

The Commission reserves the right to request additional information, which, in the Commission's opinion, is necessary to assure that the Proposer's competence, number of qualified employees, business organization, and financial resources are adequate to perform according to the RFP.

The Commission may make such investigations as deemed necessary to determine the ability of the Proposer to perform the work, and the Proposer shall furnish to the Issuing Office all such information and data for this purpose as requested by the Commission. The Commission reserves the right to reject any proposal if the evidence submitted by, or investigation of, such Proposer fails to satisfy the Commission that such Proposer is properly qualified to carry out the obligations of the agreement and to complete the work specified.

II-1. Required Information

A. Title Page

Show the name of Proposer's firm, address, telephone number, name of contact person, date and the subject: REQUEST FOR PROPOSALS FOR TRUSTEE SERVICES.

B. Table of Contents

Include a clear identification of the material by section and by page number.

C. Cover Letter and Executive Summary

The person in your firm who is authorized to negotiate terms, render binding decisions and commit the firm's resources should sign this letter.

Summarize the Proposer's understanding of the work to be done and make a positive commitment to perform the work necessary. This section should summarize the key points of your submittal.

Limit to two pages.

D. Firm Overview

Provide a brief description of how your firm is organized, including the businesses in which it is engaged, the location of offices, the number of Corporate Trust professionals in each office, and the role of the Corporate Trust department in your firm. Indicate your firm's commitment to the Corporate Trust industry and comment on any recent significant changes in your organization. Discuss your firm's presence in and commitment to the Commonwealth of Pennsylvania including offices and employees. Include a discussion of the specific expertise and services that distinguish your firm.

E. Demonstration of Ability to meet Minimum Qualifications

Demonstrate the ability of your firm to meet the following minimum qualifications:

- Confirm that the financial institution is a national banking association, federal savings and loan association or a federal savings bank that is permitted under Pennsylvania law to receive or hold local government investment.
- Describe the bank's commitment to providing custody/bond trustee services
- Provide the address of the office location(s) that will service the PTC account
- Describe the experience of the financial institution in providing similar banking services for other governmental agencies
- Provide ratings for the bank and/or bank holding company from at least two of the following agencies: Standard & Poor's, Moody's, and Fitch. If the Offeror is not rated by two of these rating organizations, provide other evidence of the institution's credit quality.
- Include a copy of the most recent audited annual financial statement and the latest 10-K report with the proposal.
- Confirm that the bank will provide custody/bond trust services through the bank's trust department.
- Describe the bank's commitment to providing custody/bond trustee services.
- Describe the bank's proposed staffing for this relationship.
- Bond Trustee
 - a. Briefly describe the bank's qualifications as a Bond Trustee, Registrar, and Paying Agent for tax-exempt municipal bond issues. Provide a list of no more than five such financings for which your bank served in this capacity.
 - b. Please confirm that (1) the bank or trust company is organized and doing business under the United States of America, (2) have trust power in good standing and (3) have a reported capital, surplus and undivided profits of not less than \$50 million.
 - c. Describe the services that the bank will provide to the PTC related to future bond issues.
- Briefly describe how your bank handles securities processing on behalf of its clients. Describe what automated processing is available, indicate the nature of the automation and level of availability (e.g. overnight batch, real-time). Describe any processing differences between accounts where the bank is service as trustee and accounts for which the bank is only serving as custodian of securities.
- What short-term investment vehicle(s) does the bank propose to use for the overnight sweep in PTC's custody / bond trustee accounts? What time of day is the cash sweep deadline? Is it end-of day or next-day sweep? What process does the bank use to ensure cash balances are invested?
 - a. Provide return history for the previous twenty-four month period

b. If the bank is proposing a mutual fund provide a copy of the prospectus and, if multiple classes are offered, identify the class of shares that is being proposed.

c. Provide a complete listing of associated fees and/or administrative charges.

- Can the PTC utilize a short-term fund not managed by your bank? Are there additional fees? If so, list the type and dollar amount of the related fees.
- Are security transactions settled on an actual or contractual basis? How will the bank compensate the PTC for fail float? When does the bank credit interest and dividends?
- Provide a listing of cut off times for notification of securities transactions. Please specify if the cut off times vary for different types of securities.
- Describe any sub-custodial arrangements that would be used for fixed-income securities belonging to the PTC. Include a description of the arrangements used for the delivery of physical securities.
- Provide a list of the bank's holidays.

F. Personnel and References

Provide the names, proposed roles, background and experience, office location and availability of the personnel that would work on the Commission's account, and specifically identify the primary person(s) who will be responsible for managing the relationship with the Commission.

Will a specific customer service representative or a customer service department be assigned to handle day-to-day transactions for the PTC?

a. Describe the responsibilities of the customer service personnel, including the chain of command for problem resolutions.

For the proposed personnel, provide a list of three clients worked with in the last 36 months; a brief description of the services you provided; and the names, titles, addresses and telephone numbers of the contacts primarily responsible for these engagements. You should only list clients, which have requirements similar in nature to those of the Commission.

G. Compliance

Please discuss your firm's compliance process, including your procedures for ensuring that the specific investment restrictions are complied with.

H. Reporting

Please provide sample reports similar to those that would be provided for the Commission's accounts including web-based client reporting tools available.

- Describe the frequency and format of custody/bond trustee reports that the bank would provide to the PTC. Include sample reports.
- Is the bank willing/able to develop customized reports? If so, please provide specific pricing information below.
- Does the bank provide information to clients through an on-line inquiry/reporting service? Are customized reports available at no additional charge through this on-line inquiry/reporting service?
- What source does the bank use for market valuation of securities?

- Is there a SAS 70 Report for the custodial reporting of securities' costs, market values, etc.?
- What is the lag time between trade execution, availability of on-line transaction data, and the settlement of the transaction to the banks reporting system?

I. Potential Conflicts of Interest/Fiduciary Responsibilities

- Do you or any related or affiliated companies receive any payments including commissions from managers you recommend, consider for recommendation, or otherwise mention to clients? If so, what is the extent of these payments in relation to your total revenue?
- Describe your policies or procedures to address conflicts of interest, to prevent payments or relationships discussed above from being considered when you provide advice to your clients and to disclose such information to your clients?
- What percentage of your clients utilizes managers, investment funds, brokerage services or other service providers from whom your firm receives fees or commissions?

II-2. Commitment to Diversity.

It is a goal of the Commission to utilize qualified firms that have a demonstrated history of hiring, training, developing, promoting and retaining minorities and women and to encourage participation by qualified certified minority and woman-owned (MBE/WBE) firms, if available. The Commission recognizes the following minority and woman-owned business certifications for this RFP. The Commission reserves the right to amend this list and maintains sole decision-making authority on the acceptance of certifying agencies and designations.

PA Unified Certification Program www.paucp.com

PA Department of General Services www.dgs.state.pa.us

National Minority Supplier Development Council www.nmsdcus.org

Women Business Enterprise National Council www.wbenc.org

U.S. Small Business Administration small disadvantaged businesses or 8(a) small disadvantaged

Business concerns

A. Diversity Questionnaire. A diversity questionnaire is required to be completed by the Proposer to ensure a commitment to equal opportunity and affirmative action (**Appendix B**).

B. Purpose of Diversity Questionnaire. The information requested in the Diversity Questionnaire is designed to elicit appropriate information about the Proposer in order to verify that its work environment demonstrates a strong commitment to diversity.

C. Types of Information Requested. The required information includes information on the demographics of the Proposer's upper level management and corporate commitment to diversity and equal opportunity initiatives.

D. Certification Requirement. A person authorized to bind the Proposer contractually must submit with the firm's proposal a certification outlining the Proposer's continued commitment to its diversity initiatives.

II-3. Cost Submittal. The information requested in this section shall constitute your cost submittal.

The Cost Submittal shall be placed in a separate sealed envelope within the sealed proposal, separate from the technical submittal.

A. Cost Proposal

Provide a complete fee schedule for all of the services described in your financial institution's proposal. Fees related to all services described in the proposal must be listed. Also, include Acceptance Fee, Annual Trustee Fee, Annual Paying Agent Fee, Escrow Agent, Investment Agreements, and Transaction Expenses. Transaction Expenses include but are not limited to Tenders, Bond Call, Security Purchase, Security Sale and Custody services for Non-Indentured Funds. Include any incentives or price breaks offered based on volume, timeliness of payment, rebates or other measures. Present a concise list of the scope of services and the work products that your firm proposes to provide. Given your proposed scope of services and work products, discuss your proposed fee arrangement based on each of the following alternatives:

1. Compensation on a fixed annual cost, payable monthly.
2. Is the bank willing to guarantee the proposed fees for the entire term of the contract (up to five years)?

If not, for how long are the fees guaranteed?

Can fees be invoiced to PTC rather than debited directly from PTC's accounts?

B. Reimbursement of "Out-of-Pocket" Expenses

Upfront Out of Pocket Fees (please indicate a not to exceed amount and indicate what costs are included in this amount) The Commission shall reimburse for "Out-of-Pocket" expenses upon proper invoice rendered with appropriate receipts attached. Any costs incurred by the Trustee that are not specifically provided for herein shall be the expense of the Trustee.

Any costs not provided in the cost proposal will be assumed as no charge to the Commission.

The selected Proposer shall only perform work on this contract after the Effective Date is affixed and the fully-executed contract sent to the selected Proposer. The Commission shall issue a written Notice to Proceed to the selected Proposer authorizing the work to begin on a date which is on or after the Effective Date. The selected Proposer shall not start the performance of any work prior to the date set forth in the Notice of Proceed and the Commission shall not be liable to pay the selected Proposer for any service or work performed or expenses incurred before the date set forth in the Notice to Proceed. No Commission employee has the authority to verbally direct the commencement of any work under this Contract.

PART III

CRITERIA FOR SELECTION

III-1. Mandatory Responsiveness Requirements. To be eligible for selection, the Proposal should be (a) timely received from a Proposer; and (b) properly signed by the Proposer; and (c) formatted such that all cost data is kept separate from and not included in the Technical Submittal. The issuing Office will review all proposals to determine that proposals have met the minimum criteria identified in Section II- 1(E) of this RFP. Only those proposals that have demonstrated that proposers meet the minimum criteria will be reviewed further pursuant to Part III-2 and III-3 below.

III-2. Proposals will be reviewed and evaluated by a committee of qualified personnel of the Pennsylvania Turnpike Commission. This committee will recommend for award the firm that most closely meets the requirements of the RFP and satisfies the Commission's requirements. Award will only be made to a Proposer determined to be responsive and responsible in accordance with Commonwealth Management Directive 215.9, Contractor Responsibility Program.

III-3. The following criteria will be used, in evaluating each proposal.

1. Overall

- a. Responsiveness, organization, and clarity of the Proposal
- b. Presence in and commitment to the Commonwealth of Pennsylvania

2. Assigned Personnel

- a. Qualifications and experience
- b. Responses of references
- c. Location and availability to Commission staff

3. Firm Experience and Approach to the Engagement

- a. Qualifications and experience
- b. Approach to the engagement (including compliance and reporting)
- c. Responses of references

4. Commitment to Diversity.

The Proposer's demonstrated diversity and equal employment record, including: (i) recognition of the Proposer's equal employment opportunity and diversity policies, programs and initiatives; (ii) the diversity of the staff that will be substantially involved in work performed for the Commission and the firm's plan for utilizing minority and women staff in such work; (iii) the Proposer's status as a certified MBE/WBE; and (iv) the Proposer's plan for utilizing minority and women staff in partnering or joint venture arrangements proposed by the firm, if applicable.

5. Cost

Addendum No. 1

Amended RFP # 11-67000-3041

Trustee and Custody Services

Prospective Respondents: You are hereby notified of the following information in regard to the referenced RFP:

REVISION

The response date referenced in Part I-12 of the RFP has been extended and revised as follows:

I-12. Response. To be considered, Proposals must be delivered to the Pennsylvania Turnpike Commission's Contracts Administration Department, Attention: Wanda Metzger, on or before **12:00 pm EDT, Friday, July 8, 2011. Friday, July 15, 2011.**

QUESTIONS & ANSWERS

Following is the answer to the question submitted in response to the above referenced RFP as of **July 1, 2011**. The question has been listed verbatim, as received by the Pennsylvania Turnpike Commission.

1. The RFP mentions custody services for non-indentured funds. Would you please provide more detail about the non-indentured funds, specifically current market value, types of investments and number of accounts.

The non-indentured funds covered by this RFP are the OFT Unindentured Custody Account and the Motor Vehicle Registration Self-Managed Account. These accounts may be invested in assets that comply with the Commission's Investment Policy. The total value of these accounts is approximately \$79,443,000 on 30 June 2011. Consult Appendix C and E of the Amended RFP for account listing.

All other terms, conditions and requirements of the original RFP dated **June 27, 2011** remain unchanged unless modified by this Addendum.