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10/12/22

The following Q&A will serve as Amendment #1 to NYSIF's Request for Proposals (RFP) for Investment Accounting Services and Software, bid number 2022-53-INV. Material in this Amendment supersedes any contradictory material in the RFP.

Note: There is a supplemental information excel spreadsheet attached separately to this document.

Please note that the due date for the submission of bids **remains the same.**

All bids are due 10/24/22, by 2:00 p.m.(eastern).

Sincerely,

A handwritten signature in black ink that reads "Alexandria Romano".

Alexandria Romano
Contract Management Specialist 2

**Investment Accounting Services and Software
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Question #	RFP Page #	RFP Section and Sub-Section Reference #/Heading	Question	NYSIF Response
1			Whether companies from Outside USA can apply for this? (like, from India or Canada)	There is not a prohibition on companies headquartered or based outside of the US, however a foreign country must: (1) Be able to provide evidence of responsibility and legal authority to do business with NY State and, (2) Not be a debarred business entity by NY State, (3) Vendors must consent to service of process, legal jurisdiction and choice of applicable laws in the State of New York, USA, and finally, (4) Security requirements may restrict storage and use of NYSIF data (in any form) to the United States. Refer back to Section 3.3 of the RFP and Appendix T regarding NYSIF's vendor security requirements.
2			Whether we need to come over there for meetings?	Potentially, yes; however, NYSIF does not anticipate the need for regularly scheduled in-person meetings.
3			Can we perform the tasks (related to RFP) outside USA? (like, from India or Canada)	Vendor must meet all requirements outlined in the RFP, no matter their location, and be subject to service of process, legal jurisdiction, and choice of applicable law in the State of New York, USA; NYSIF data security requirements may restrict storage and use of NYSIF data (in any form) to the United States. Refer back to Section 3.3 of the RFP and Appendix T regarding NYSIF's vendor security requirements.
4			Can we submit the proposals via email?	Yes as outlined in Section 4.3 Bid Submission and Delivery.
5			Are you able to ask client to send mutual NDA or ask they use ours?	Please include any comments and limitations with your proposal in regards to the NDA provided. Red-lines of NYSIF's NDA can be reviewed should your firm be awarded a contract.
6	142	Appendix Z Fee Schedule Proposal	AUM for separate accounts?	As of 07/31/2022: Aggregate Trust Fund: Approximately \$300 MM; Disability Benefit Fund (DBF): Approximately \$340 MM. Workers' Compensation Fund: Approximately \$19 BN.
7	142	Appendix Z Fee Schedule Proposal	Percent of AUM Managed Internally?	Approximately 80%
8	142	Appendix Z Fee Schedule Proposal	Asset Types in Scope	Refer to RFP's Section 1.5, "Background," which contains an asset class listing.
9	142	Appendix Z Fee Schedule Proposal	Trade Order Management System (BBG AIM, Aladdin, etc.)?	Submissions should consider a number of possible options.
10	142	Appendix Z Fee Schedule Proposal	General Ledger System?	Oracle Financials
11	142	Appendix Z Fee Schedule Proposal	Number of Chart of Accounts?	1, with a total of approximately 100 GL Codes across all three funds, where a "GL Code" is a combination of a fund code and GL Account Number code. See "COA" tab for more details.
12	142	Appendix Z Fee Schedule Proposal	Number of GL Groupings?	NYSIF does not use the term "GL Grouping" with respect to its Chart of Accounts. However, there can be considered one "GL Grouping" for each of Fixed Income, Equity, Preferred Stock, Short-Term Holdings, Cash Equivalent Holdings, and Private Markets Assets.
13	142	Appendix Z Fee Schedule Proposal	Number of GL Codes?	A total of approximately 100 across all three funds, where a "GL Code" is a combination of a fund code and a GL Account Number code. See "COA" tab for more details.
14	142	Appendix Z Fee Schedule Proposal	Number of Files?	The type of files being referred to here is unknown.
15	142	Appendix Z Fee Schedule Proposal	Number of Basis Booked?	One (Statutory / STAT).
16	142	Appendix Z Fee Schedule Proposal	Number of Security Types?	Approximately 35 Security Types exist in NYSIF's current investment accounting system. Here, a "Security Type" is a categorization from a list defined by NYSIF's accountants. For example, NYSIF currently maintains separate Security Types for coupon-paying Agency securities and zero-coupon Agency securities. The number of security types maintained in the engagement resulting from this RFP may differ based on differences between NYSIF's and the awardee's categorizations.
17	142	Appendix Z Fee Schedule Proposal	Annual Statement Software?	AM Best is NYSIF's Statutory filing software and is used for the annual statement.
18	142	Appendix Z Fee Schedule Proposal	Collateral Management System?	None at present.
19	142	Appendix Z Fee Schedule Proposal	Derivative Trading System/Brokers?	None at present.

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20	142	Appendix Z Fee Schedule Proposal	Loan Servicer(s)?	J.P. Morgan is NYSIF's servicer for syndicated loan (bank loan) investments.
21	142	Appendix Z Fee Schedule Proposal	Other Systems that feed current accounting system?	The investment trading system (order management system / OMS) feeds the current accounting system.
22	142	Appendix Z Fee Schedule Proposal	List of all External Managers?	See "External_Mgrs" tab.
23	142	Appendix Z Fee Schedule Proposal	List of Custodians, including state deposit accounts?	J.P. Morgan is NYSIF's sole custodian for investments.
24	142	Appendix Z Fee Schedule Proposal	Asset Mix - Please provide a Holding & Transactions file by lot?	See tabs "Q24_Holdings" and "Q24_Transactions".
25	142	Appendix Z Fee Schedule Proposal	Asset Mix - Derivative Types?	None at present.
26	142	Appendix Z Fee Schedule Proposal	Number of Legal Entities?	0 (NYSIF's three funds are not considered Legal Entities)
27	142	Appendix Z Fee Schedule Proposal	Number of NAIC Entities?	2 - Workers' Compensation Fund and Disability Benefits Fund. (The Aggregate Trust Fund is not an NAIC entity.)
28	142	Appendix Z Fee Schedule Proposal	Number of Trading Portfolios?	As of 07/31/2022, approximately 35, including private markets investees.
29	142	Appendix Z Fee Schedule Proposal	Number of Custody Accounts?	Approximately 45 active custody accounts at present.
30	142	Appendix Z Fee Schedule Proposal	Number of Securities' Tax Lots?	Approximately 31,000 as of 07/31/2022. Notes: For bank loan securities, a lot exists for each facility and each contract. NYSIF is exempt from Federal taxes.
31	142	Appendix Z Fee Schedule Proposal	Monthly Trading Volume?	Based on activity from 01/01/2022 - 07/31/2022, a total of approximately 2,000 securities transactions (purchases and sales) monthly, in addition to several private markets transactions (e.g., capital calls, etc.). Notes: (1) For bank loan securities, a transaction exists for each facility-level and contract-level transaction. (2) An increase in the number of private markets transactions is expected as the program expands.
32	142	Appendix Z Fee Schedule Proposal	Monthly Transfer Volume?	Monthly average of approximately 1,800 lot-level transfer transactions between 01/01/2020 and 07/31/2022. However, the monthly volume varies greatly by business need. For example, under 10 transfers were performed from 01/01/2022-07/31/2022.
33	142	Appendix Z Fee Schedule Proposal	Monthly Derivative Volume?	None at present.
34	142	Appendix Z Fee Schedule Proposal	Number of Derivative Holdings	None at present.
35	142	Appendix Z Fee Schedule Proposal	Number of LPs?	3 as of 07/31/2022, with the program set to expand.
36	142	Appendix Z Fee Schedule Proposal	Number of Mortgage Loans?	0 (mortgage-backed securities are held, but not mortgage loans). Approximately 700-800 lot-level mortgage-backed security positions were held as of 07/31/2022.
37	142	Appendix Z Fee Schedule Proposal	List of Accounting Bases needed?	Statutory (STAT).
38	142	Appendix Z Fee Schedule Proposal	Regulatory Reporting Indicate Yes/No SEC	No
39	142	Appendix Z Fee Schedule Proposal	Regulatory Reporting Indicate Yes/No NAIC	Yes
40	142	Appendix Z Fee Schedule Proposal	Regulatory Reporting Indicate Yes/No IFRS	No
41	142	Appendix Z Fee Schedule Proposal	Regulatory Reporting Indicate Yes/No Other Reporting (BMA, Lloyds, OSFI, Solvency II, RBC, etc)	No
42	142	Appendix Z Fee Schedule Proposal	Regulatory Reporting Indicate Yes/No Any Rating Agency Questionnaires? (AM Best, S&P, Fitch)	No

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43	142	Appendix Z Fee Schedule Proposal	Is Single Sign-On Required?	No
44	142	Appendix Z Fee Schedule Proposal	Number of Compliance Policies?	30-50 rules/policies exist. However, investment compliance rules/limits/policies/etc. are not in this RFP's scope.
45	142	Appendix Z Fee Schedule Proposal	List all Currencies please	USD
46	142	Appendix Z Fee Schedule Proposal	Any in-house securitization? (Y/N)	No
47	Pg. 16	Section 2, Technical Specifications, 2.8 General Service Characteristics (2.8.8 "o,p & q")	Is the custodian providing these services on your behalf? If so, then we assume that we will get this information from the custodian to be able to process the work. If not, we are prepared to do that work on your behalf by being added as an interested party to act as an agent to gather this information and process.	This question is being answered with regard to Questions "o", "p", and "q" in Section 2.8, Question 8. The activities listed are currently performed by NYSIF's accountants, using data from the custodian bank and investees as noted in the questions.
48	Pg. 16	Section 2, Technical Specifications, 2.8 General Service Characteristics (2.8.9 "a & b")	Does NYSIF have an active subscription to NAIC AVS/SVO & Structured Securities services. If so will NYSIF grant the investment accounting provider with access to their subscription to retrieve and upload regulatory info for filing requirements?	NYSIF has an active subscription to NAIC AVS+ and can grant the awardee access to the subscription to retrieve and upload regulatory info for filing requirements. Structured Securities access can also be provisioned. All of this can be done without the awardee paying a fee.
49	Pg. 18	Section 2, Technical Specifications, 2.14 Client Support (2.14.1)	Does NYSIF have routine Investment accounting meeting that the IAS team will be invited and/or expected to participate in?	No, but NYSIF may request to schedule meetings as needed.
50	Pg. 16	Section 2, Technical Specifications, 2.10 Securities Lending (2.10)	Does NYSIF perform SL themselves, a custodian or another 3rd party? Will the SL data be provided to us by one of those parties?	NYSIF performs Securities Lending through its custodian, J.P. Morgan, which will provide Securities Lending data to the RFP's awardee.
51		Section 2, Technical Specifications, 2.8 General Service Characteristics (2.8.8.g)	Will we be notifying the custodians or will the custodians provide this information to the service provider. Does the requirement include trade affirmation/confirmation?	The custodian provides trade settlements daily. The requirement relating to this question does not include trade affirmation/confirmation.
52	Pg. 16	Section 2, Technical Specifications, 2.8 General Service Characteristics (2.8.8.o)	How many various interfaces are required between custodian(s), 3rd parties and NYSIF?	This question is being answered with regard to Question 2.8.8.o ("Import private markets transactions..."). As of 07/31/2022, four interfaces were required - one between the custodian and NYSIF, and one for each of the three private markets investees existing at that time. Here, the "interface" with the custodian refers to the custodian's website, from which reports can be run, and "interfaces" with the investees are access to their client websites.
53	Pg. 15	Section 2, Technical Specifications, 2.8 General Service Characteristics (2.8.1)	What is the expected output of this accounting tracking? Is it related to your GL mapping? Are you expecting a report identifying this information?	There is no expected output of this accounting tracking, and this question is not specifically related to NYSIF's GL mapping. The intent of the question is to understand the accounting treatments available.
54	Pg. 9	Section 1, General Information, 1.5 Background (1.5)	Can an asset listing by asset class be provided? A listing of # of securities by asset class including MV be provided?	See tab "Q24_Holdings".
55	Pg. 14	Section 2, Technical Specifications, 2.4 Asset Class Coverage (2.4)	With respect to Bank Loans - Do you use Wall Street Office or other similar software solution or do you rely on a custodian to provide this level of service? Who would be providing us with this information?	NYSIF does not use Wall Street Office directly, though NYSIF is aware at least some of its bank loan external investment managers use it. NYSIF uses information from IHS Markit, J.P. Morgan (as loan servicer), and bank loan external investment managers.

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Question #	RFP Page #	RFP Section and Sub-Section Reference #/Heading	Question	NYSIF Response
56	Pg 142	Fee Schedule Proposal (Appendix Z)	In order to provide a comprehensive fee proposal, can the following information be provided: holdings list by asset class, MV of each asset class, # of holdings by asset class, # of annualized transactions by asset class? You indicate that there are no bank loans or derivatives, don't indicate if any private market instruments or LP's. This is imperative to know from a pricing perspective as you indicate that you could enter into these asset classes - some of which are manual in nature from the custodian perspective and from an investment accounting perspective. Please clarify and provide current volumes or anticipated volumes.	See tab "Q24_Holdings" for holdings list by asset class, MV of each asset class, and # of holdings by asset class. See tab "Q56" for # of annualized transactions by asset class; note that private markets' annualized transactions cannot be extrapolated from the limited number of transactions to date. Bank loans are currently part of NYSIF's portfolio. Derivatives are not currently a part of NYSIF's portfolio but may be added. Derivatives' volume cannot presently be estimated because planning is in its infancy. There were three investments in private markets limited partnerships as of 07/31/2022, and the private markets program is set to expand, with the total anticipated number of investees unknown.
57		General	# of portfolios & accounts?	3 accounts; approximately 35-40 portfolios.
58		General	AUM break down by asset/security type (e.g. how many LPs, RE investments, bank loans, etc.)?	As of 07/31/2022: 3 LPs, no direct Real Estate investments. See tab "Q24_Holdings" for a full AUM breakdown by asset type. For bank loans, a lot exists for each facility and each contract.
59		General	Estimated monthly transaction volumes?	Based on activity from 01/01/2022 - 07/31/2022, a total of approximately 2,000 securities transactions (purchases and sales) monthly, in addition to several private markets transactions (e.g., capital calls, etc.). Notes: (1) For bank loan securities, a transaction exists for each facility-level and contract-level transaction. (2) An increase in the number of private markets transactions is expected as the program expands.
60		General	What is their expected monthly close timing vs. what they have today? (e.g. T+5 close)?	The expected monthly close timing, including distribution to NYSIF of all monthly deliverables, is seven business days after month-end. This is consistent with the timing at NYSIF today.
61		General	Are there any new asset types they expect to be adding to their investment portfolio over the next 1-2 years?	Derivatives, as well as new types of private markets investments, may be added within the next 1-2 years.
62		General	What are their current OMS and Corporate GL?	Submissions should consider a number of possible options for the OMS used. Oracle Financials is used for the Corporate G/L.
63		General	Are all funds internally managed or do they have external managers that we would need to gather and/or reconcile trades from/to?	Some funds are internally managed, while others are managed externally.
64		General	For the LP investments, are there both open and closed end funds?	Yes, there are both open- and closed-end funds.
65		General	For the LP investments, will the solution be inclusive of historical cash flows and valuations ?	Yes
66		General	For the closed end LP investments, is tracking of unfunded commitment in scope?	Yes
67		General	Are there any other accounting bases that are not US GAAP, STAT and TAX	No
68		General	How many commercial mortgage loans does NYSIF possess?	NYSIF does not hold individual commercial mortgage loans.
69		General	Exactly how many bank loans and how many high yield bonds are included in the asset description?	As of 07/31/2022, on the security level (not the lot level), approximately 275 bank loan facilities and approximately 360 high yield bond securities were held. Among these, more than one asset manager holds some of the securities.
70		General	How many of their legal entities require stat accounting?	STAT accounting is required for all funds, but the funds are not considered legal entities.
71		General	How many external managers do you use?	As of 07/31/2022, approximately 25 external investment managers, including 3 private markets investees.
72		General	How many STIFS does NYSIF have in scope for this RFP?	0
73			List of locations from which Aladdin Accounting will be used	Various locations, currently anticipated to include offices in Albany, NY and New York City, as well as staff's telecommuting locations that may include surrounding states.
74			Number of portfolios ⁽¹⁾	As of 07/31/2022, approximately 35, including private markets investees.
75			Number of open lot level positions Securities	Approximately 30,000-31,000 as of 07/31/2022. Note: For bank loan securities, a lot exists for each facility and each contract.
76			Number of open lot level positions Alternatives	3 as of 07/31/2022, with the program set to expand.
77			Number of open lot level positions Derivatives	0 at present.
78			Number of open lot level positions Mortgages	Approximately 700-800 lot-level mortgage-backed security positions were held as of 07/31/2022.

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Question #	RFP Page #	RFP Section and Sub-Section Reference #/Heading	Question	NYSIF Response
79			Transaction volumes - Average monthly	Based on activity from 01/01/2022 - 07/31/2022, a total of approximately 2,000 securities transactions (purchases and sales) monthly, in addition to several private markets transactions (e.g., capital calls, etc.). Notes: (1) For bank loan securities, a transaction exists for each facility-level and contract-level transaction. (2) An increase in the number of private markets transactions is expected as the program expands.
80			Transaction volumes - Daily Peaks	From 01/01/2022 - 07/31/2022, three days had more than 1,000 buy/sell transactions. Of those three days, the numbers of transactions per day were about 6,000, 3,000, and 1,000. After that, the day with the greatest number of transactions had about 140.
81			Transaction volumes - Average daily inbound fills	Refer to answers to other transaction volume-related questions here, e.g., Question #79.
82			Number of custodians	1
83			Accounting treatment: AFS, HTM, or Trading	AFS. However, please refer to Statutory (STAT) guidance for accounting treatments, as these classifications do not drive accounting treatments the same way they do under standard GAAP.
84			Number of internally/externally managed portfolios	At present, seven internally managed portfolios, 23 externally managed portfolios, and three private markets investees.
85			Number and names of external managers	See tab, "External_Mgrs"
86			Estimated monthly cash transactions (security related)	Average of approximately 7,000-8,000 monthly, based on a sample from 01/01/2020 - 07/31/2022.
87			Estimated monthly cash transactions (non-security: wires, transfers, fees, etc.)	Average of approximately 150-200 monthly, based on a sample from 01/01/2020 - 07/31/2022.
88			Number of accounting bases (please list)	1 - Statutory (STAT)
89			Number of Schedule D's (Life or P&C?)	P&C. Applicable regulatory schedules include but may not be limited to: D1, D3, D4, D5, D Part 2 Section 1, D Part 2 Section 2, DA, DE, DL (Securities Lending), BA (Private Markets Assets), DB (Derivatives) [will be required if derivatives become part of NYSIF's portfolio], Verifications Between Years, Summary by Country, Summary Investment Schedule, D Part 1A Section 1 (Quality and Maturity Distribution of All Bonds Owned), D Part 1A Section 2 (Maturity Distribution of All Bonds Owned).
90			Number and list of reporting currencies	1: USD
91			Number of rating agency surveys / questionnaires	0
92			Current accounting/General Ledger system(s)	Oracle Financials
93			Number of Chart of Accounts (COA) - Please provide example	See "COA" tab.
94			Current Annual Statement platform	AM Best is NYSIF's Statutory filing software and is used for the annual statement.
95			Do you transfer securities across portfolios?	Yes
96			Accounting reporting requirements – Complexity (H/M/L)	It is difficult to assign a single measure of complexity among the options provided. Complexity in line with other data in the RFP and this Q&A, including investment types, number of holdings, and transaction volume, should be expected.
97			Number of users	5-10 anticipated.
98			BD due date of primary, monthly acctg output	7th business day after month-end.
99			Number of aggregated portfolio views	NYSIF's portfolios are aggregated into three funds: (1) Aggregate Trust Fund, (2) Disability Benefits Fund, (3) Workers' Compensation Fund.
100			Do you require Performance Measurement?	No
101			Number of performance entities	N/A (NYSIF is not seeking Performance Measurement services).
102			Number of accounts requiring net of fees performance, if any.	0 (NYSIF is not seeking Performance Measurement services).
103			Number of performance benchmarks	N/A (NYSIF is not seeking Performance Measurement services).
104			Number of composites / aggregates	N/A (NYSIF is not seeking Performance Measurement services).
105			Any custom performance reports / templates?	N/A (NYSIF is not seeking Performance Measurement services).
106			Other analytics tools used	None for investment accounting purposes.
107			Company Type (e.g. Insurance, REIT)	Insurance
108			Are middle office services in scope? (external manager trade processing, reconciliation, data operations, etc)	No

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109			Hedge Accounting? Volume?	None at present.
110			NAIC SVO Filing? Volume annually?	NYSIF's investment accounting staff do not routinely file with the SVO to obtain NAIC Designations. Some of NYSIF's external asset managers do, however.
111			RSATs? Volume?	0 at present.
112			Do you do both intra and inter transfers?	Intra-fund transfers (between portfolios in a single fund) have been performed in the past.
113			How do you source SVO designation currently?	Directly from the SVO for traditional fixed income investments. For fixed income private placements, as well as most bank loan investments, SVO designations are derived from credit ratings.