Invitation to Bid (ITB) for Custody, Accounting and Brokerage Services for Unclaimed Property

Question 1
Please provide the following information regarding OST's arrangement with the custodian or related entities that currently provide custody, accounting and
brokerage services for unclaimed property.

A copy of the incumbent vendor's response to the previous ITB for custody, accounting and brokerage services for unclaimed property
Information will be provided on or before Friday, February 24, 2012.

A copy of the current contract for services performed under the previous ITB for custody, accounting and brokerage services for unclaimed property
Information will be provided on or before Friday, February 24, 2012.

A listing of the current rate of compensation on a unit level as well as the annual fee paid for the services under the current contract for custody, accounting and brokerage services for unclaimed property
Current Custodian Fee Schedule Attached

Question 2
Section 1.02 The Oklahoma State Treasurer (OST) requests bids from qualified banks to provide safe custody, accounting, and brokerage services for
unclaimed securities held by OST pursuant to the Uniform Unclaimed Property Act, Oklahoma Statutes title 60, §§ 655, 661, 663, and 667 (2001). For purposes of this ITB the term "bank" is the same as used in 15 U.S.C. § 78c(a)(6) and means:

(A) a banking institution organized under the laws of the United

States, (B) a member bank of the Federal Reserve System,

(C) any other banking institution, whether incorporated or not, doing business under the laws of any State or of the United States, a substantial portion of the business of which consists of receiving deposits or exercising fiduciary powers similar to those permitted to national banks under the authority of the Comptroller of the Currency pursuant to section 92a of title 12, and which is supervised and examined by State or Federal authority having supervision over banks, and which is not operated for the purpose of evading the provisions of this chapter, and

(D) a receiver, conservator, or other liquidating agent of any institution or firm included in clauses (A), (B), or (C) of this paragraph.

In partnership with The Bank of New York Mellon (BNY Mellon) and Morgan Keegan & Company, Inc. (Morgan Keegan), ACS provides custody, accounting and brokerage services for unclaimed securities for 22 states and has been doing so since 1990 with nearly $1billion of assets currently under custody. ACS is the country's largest provider of unclaimed property services to state

governments. BNY Mellon is a bank as defined in section 1.02 of the ITB. Morgan Keegan is a provider of brokerage services. ACS' partnership arrangement with BNY Mellon and Morgan Keegan provides unique opportunities and advantages to Oklahoma and other states because the solution offered is specifically tailored to custody, accounting and brokerage services for unclaimed securities. With this background, please confirm that a bid on this ITB by ACS in partnership with [its subcontractor] BNY Mellon meets the requirements of section 1.02 and will allow the proposal to receive points in this category.

According to OST Legal Counsel, ACS does not meet the statutory definition of a "qualified bank" under Oklahoma law (BNY Mellon could contract with OST with ACS as a subcontractor, but not the other way around)

Question 3
Section 11.1 Bids are to be submitted in triplicate including all supporting documentation. The original bid document must be notarized. Failure to do so will result in elimination from consideration.

Please clarify what exact component or page of the proposal in response to the ITB is required to be notarized. Is notarization of the signed transmittal page acceptable? Please confirm that there is only one document issued for the ITB for custody, accounting and brokerage services for unclaimed property.

"State of Oklahoma Request for Bid" form attached

Question 4
Appendix A Statement of Charges The Statement of Charges for Custody, Accounting, and Brokerage Services represents the offeror's fee schedule. Please complete each line on the Statement of Charges, as it relates to the objectives of the ITB. This is a requirement. Any charge for services not addressed in the Statement of Charges will not be allowed in the course of the Contract.

Please provide Statistics 12/01/00 to 06/30/11 for Mutual Funds and DRPs as both are listed on the line items of the Statement of Fees to be Charged on Page 14 but not represented in the breakdown on Page 13.

Please expand the statistics provided (12/01/00 to 06/30/11) to include volumes for the entire fiscal year.

Mutual Funds 6-30-11 approximately 500/DRP's approximately 75

Question 5
Statement of Fees to be Charged

In order to avoid any confusion in the calculation of fees, please clarify and confirm the following line items to be charged.

Please describe what should be included in the Fee Rate and Unit Price columns and clarify what the difference is between Fee Rate and Unit Price

Fee Rate - OST is soliciting the fee that would be accessed for each category of services. Bidder will determine their expected costs and propose a fee.

Unit Price - Eliminate/not required

Please confirm that the *Administration Fee – per item (DRS/Book Share)* should not be priced "per transfer" like the others in that section. Please describe the services currently included in this fee – *per item (DRS/Book Share)*.

The Administration Fee is on a per item basis. The fee is based on the cost the Custodian deems it incurs as it relates to holding the issue(s).

Please confirm if there should be a line item for *Basic Administration Fee (DRS)* as it is not currently listed with the others in that section.

Bidder is to propose fees to be charged. Additional fees may be added to the Statement of Charges. Note: Any charge for services not addressed in the Statement of Charges will not be allowed in the course of the Contract, unless agreed to in writing by OST.

Please confirm if there should be a line item for *conversion cost* as it is not currently listed.

Bidder is to propose fees to be charged. Additional fees may be added to the Statement of Charges. Note: Any charge for services not addressed in the Statement of Charges will not be allowed in the course of the Contract, unless agreed to in writing by OST.

Please provide volumes for each of the categories currently listed in the fee schedule. For consistency and fairness of pricing and scoring between proposals, can the State provide and require bidders to utilize volumes and total price for each fee line item listed in the fee schedule. Would the State additionally like a total estimated annual cost?

Re: Summary of Transactions attached

Question 6

Appendix B List of Unclaimed Property Securities

In order for Offerors to better analyze the data necessary to construct the most competitive bid for custody, accounting and brokerage services for unclaimed property.

Please provide Appendix B as an Excel spreadsheet with the corresponding CUSIP numbers and location of assets.

Please indicate if all Mutual Funds are listed in Appendix B or if any are being held outside of the OST's current custodian or tracked by the OST directly. If the OST currently maintains any Mutual Funds outside of its current custodian, please provide those volumes.

Re: Issues Held Outside OST's Current Contract Custodian attached

Question 7

Is there a State of Oklahoma REQUEST FOR BID form that accompanies this ITB? If so, may we receive a copy?

Yes. Please see document "ITB Notary Form (02/17/12).