**PART 2**

# **5.0 TECHNICAL PROPOSAL**

In this section, the bidder shall describe its approach and plans for accomplishing the work outlined in the Section 3.0 Scope of Work. The bidder must set forth its understanding of the requirements of this RFP and its ability to successfully complete the contract. This section of the proposal should at a minimum contain the information identified below, including bidder’s answers to the questions presented.

The questions below shall be included in the proposal followed by its corresponding answer. For convenience, the questions in this section are included as an MS Word attachment to this RFP.

## **5.1 OVERVIEW**

Provide a summary statement of no more than three (3) pages stating why the bidder’s proposal is most able to provide the services listed herein to the DOI.

The summary should address the overall technical approach and plans to meet the requirements of the RFP in a narrative format. This narrative should demonstrate to the State that the bidder understands the objectives that the contract is intended to meet the nature of the required work and the level of effort necessary to successfully complete the contract. It should also demonstrate that the bidder’s general approach and plans to undertake and complete the contract are appropriate to the tasks and subtasks involved.

Please provide information in table 5.1.

## **5.2 IMPLEMENTATION PLAN AND CONTRACT MANAGEMENT**

5.2.1 Provide a time table for implementation of the contract beginning with the date of notification of contract award. At a minimum, this should address the timeframes for setup of daily communication; pre- and post- trade interfaces; reconciliations, set-up and interfaces; and the proposed time necessary to fully invest approximately $250 million.

5.2.2 Describe the bidder’s plan to communicate with the DOI including, but not limited to, communication with the DOI Contract Manager and Designated DOI Liaison(s), status meetings and status reports.

5.2.3 Describe the bidder’s plan for the use of subcontractor(s), if any, on this contract. Emphasis should be on how any subcontractor identified will be involved in the mobilization and implementation plan.

## **5.3 ORGANIZATION**

5.3.1 Provide a brief history of the bidder and its operation with the most important milestones. Include the year formed, ownership structure, as well as any ownership changes within the past five years. Who were the founders of the bidder and are they still active? Are there any pending plans for ownership changes? Describe any joint ventures or affiliations, including any ownership the bidder or any entity under its control may hold in partnerships and/or other investment firms. Does the bidder conduct any business other than investment management and/or advisory services? State the nature of those other businesses.

5.3.2 If another company owns some portion or your entire firm, what percentage of the parent company’s revenue does your firm contribute? Please indicate how the percentage of revenue has changed over the life of the arrangement.

5.3.3 Provide the bidder’s mission statement.

5.3.4 Identify the bidder’s total number of employees. Please provide a summary of the classifications within the firm and the totals for each classification (i.e. portfolio managers, research analysts, risk managers, client services, etc.).

5.3.5 Provide a brief general description of the bidder’s compensation agreements for professional staff, including bonuses, profit sharing, and equity ownership and the metrics used to determine incentive-based compensation.

5.3.6 Please describe any succession plans for the management of the bidder and for the continuity of leadership within the relevant investment teams. What plans, if any, are there if a key person were to become unavailable for an extended length of time?

5.3.7 Have any principals, partners or senior managers left the bidder within the last three years? If yes, list each person’s name, title, date of departure, and state the reason for each of these professionals leaving.

5.3.8 What are the current and short-term (next one to two years) priorities of the bidder (e.g. asset growth, increase/improvement in staffing, implementation of new strategies, etc.)?

5.3.9 On Table 5.3.9 in the attached Information Table, provide Total Firm Assets metrics for the organization by Region and Client type.

5.3.10 Please describe how the bidder broadly considers sustainable business practices across its firm and the role of ESG factors within its investment platform. Do you have a Responsible Investment Policy and is this disclosed to the public? If so, what are your motivations for having a policy? Are you a signatory to the UNPRI? If not, do you intend to become a signatory? If no, please explain your view and approach to being a responsible investor otherwise. Do you have a Responsible Contractor Policy and is this disclosed to the public?

5.3.11 Please describe how you measure diversity (of all forms) within your business and within individual teams, what your current metrics show, and whether you are implementing changes. What (if any) diversity-related metrics do you monitor within the investment team? Do you have a partnership with an organization that supports employment of underrepresented groups in finance, diversity initiatives, partnerships with schools, etc.? (Please list) Do you have in place programs that encourage recruitment from non-traditional routes, apprenticeship programs, programs for military veterans? (Please list)

5.3.12 On Table 5.3.12 in the attached Information Table, please provide Diversity metrics for the organization.

## **5.4 PERSONNEL**

5.4.1 Specify the individuals (up to ten) deemed by the bidder to be crucial to the proposed Asset Class’ success (i.e., lead portfolio managers, portfolio manager’s back up, etc.). Outline it by each proposed strategy so that the senior members are listed once or a minimum of times. Please include for each individual a biography that, at a minimum, include name, years of experience, years with firm, years with the asset class or each proposed strategy (as appropriate), percent of time devoted to the asset class or each proposed strategy (as appropriate), prior experience, including academic and professional credentials and indicate if the individual is a shareholder (Yes or No).

5.4.2 For 2021 year-to-date and each of the previous five calendar years, provide the number of investment professionals, gained and lost who were directly involved with each proposed strategy including the roles of these individuals (i.e., portfolio manager, research analyst, etc.). How did the firm respond to the departures? Specify if the investment professionals resigned, were terminated, retired, or rotated to another product/division.

5.4.3 Provide information for the proposed asset class team for each proposed strategy. Identify the key decision makers and discuss how they will be made available to the DOI. Discuss any plans to recruit additional key personnel and if key personnel are promoted from within or brought in externally.

5.4.4 Does the investment team that will manage the proposed strategy manage any other products at the firm? What is the asset level in those products and what percentage of the holdings in these other products overlap with the proposed strategy?

5.4.5 Does the investment team invest their own assets in the proposed strategy?

## **5.5 LOCATION**

5.5.1 Identify the location of the main offices of the bidder.

5.5.2 Identify the location of the office(s) of the bidder from which services would be provided to the State of New Jersey.

## **5.6 ORGANIZATION CHARTS**

5.6.1 Provide an assignment organization chart specific to the portfolio management team, with names showing management, supervisory, research and other key personnel within each asset class.

5.6.2 Provide a contract organization chart with names showing management, supervisory, research and other key personnel to be assigned to the contract.

## **5.7 FINANCIAL CAPABILITY OF THE BIDDER**

5.7.1 Please submit certified financial statements which include a balance sheet, income statement and statement of cash flow, and all applicable notes for the most recent calendar year or the bidder’s most recent fiscal year.

5.7.2 Has the audit opinion on the bidder’s financial statements been "unqualified" for any of the last three years? If not, please explain. Has the bidder had a change in auditors over the last three years? If so, explain why.

5.7.3 A bidder may designate specific financial information as not subject to disclosure when the bidder has a good faith legal/factual basis for such assertion. A bidder may submit specific financial documents in a separate, sealed package clearly marked “Confidential-Financial Information” along with the proposal. The State reserves the right to make the determination to accept the assertion and shall so advise the bidder.

## **5.8 POTENTIAL CHANGES**

Provide a summary of any and all changes that the bidder anticipates during the term of the contract that could potentially impact the bidder’s ability to provide its proposed solution. For each change identified, the bidder should provide its proposed solution.

## **5.9 OPERATIONS, TRADING AND CONTROLS**

5.9.1 Briefly describe the bidder’s administrative/back office operations and organizational structure.

5.9.2 List the global custodians with which the bidder currently interfaces.

5.9.3 Describe any electronic interfaces in place from order management system, accounting, back office etc.

5.9.4 Briefly describe the key systems and tools used for portfolio management, analysis, trading and accounting. Indicate if these systems are third party or internally developed.

5.9.5 Describe the bidder’s commitment to research and system enhancements.

5.9.6 Provide an overview of pricing procedures for securities, including sources and frequency of marks.

5.9.7 Does the bidder currently contract with outside pricing services? If so, provide a list of the firms and indicate the general types of securities each prices on the bidder’s behalf.

5.9.8 Does the bidder maintain a formal valuation committee or other entity that provides oversight for security/portfolio valuation?

5.9.9 Does the bidder execute its own foreign exchange for trades or use a third party service?

5.9.10 Provide an overview of the bidder’s operational risk monitoring and management practices.

5.9.11 Does the bidder participate in Service Organization Control (SOC) or equivalent reviews? If so, provide a copy of the bidder’s latest SOC report and, if available, the independent auditor’s opinion on whether internal controls are adequate to achieve specified risk/SOC objectives and whether such controls were operating effectively at the time of audit. Have there been any significant changes since the date of the opinion?

5.9.12 Provide an overview of the bidder’s trade allocation protocols and procedures for controlling performance dispersion between accounts with substantially the same guidelines.

5.9.13 Please briefly describe the bidder’s trading policy. How many bids (or offers) are typically received per trade? How is it determined which broker is used for a trade? Please include any information that would help to understand the trading processes, including a copy of the bidder’s policies for approving and monitoring brokers.

5.9.14 Provide an overview of the bidder’s business continuity and disaster recovery systems and plans.

5.9.15 Has bidder firm received a Wells Notice in the past year?

## **5.10 COMPLIANCE AND ETHICS**

5.10.1 Provide an overview of the bidder’s pre- and post-trade investment guideline monitoring practices. Is a separate, independent group responsible for ensuring guideline compliance? What systems does the bidder have in place to ensure compliance with such guidelines?

5.10.2 Please state whether the bidder employs a compliance officer. If so, what are the duties of the compliance officer? To whom does the compliance officer report?

5.10.3 Submit a copy of the bidder’s ethics or standards of conduct policy. What steps are taken to ensure that employees comply with this policy?

5.10.4 What handbooks, manuals, written policies, written procedures or training are provided to new and current employees? How often is training refreshed? How extensively does the bidder monitor and discipline employees?

5.10.5 Provide the bidder’s written policy on keeping the process for employees’ trading of their own securities independent from the processes for trading securities for clients. Discuss procedures used to monitor and control personal trading activities.

5.10.6 Discuss procedures used to prevent and detect rogue/unauthorized trading in client or firm accounts.

5.10.**7** Has any member or representative of the bidder had contact with any SIC member, DOI staff member or consultant during the last 12 months regarding this RFP? What has been the nature of these contacts?

## **5.11 LEGAL AND REGULATOR**

5.11.1 Is the bidder registered as an Investment Advisor under the Investment Advisors Act of 1940? If so, please attach the bidder’s ADV Part II as Appendix F – ADV Part II. If not, please explain why.

5.11.2 Is the firm in compliance with the USA PATRIOT Act?

5.11.3 Over the last ten (10) years, has the bidder or any officer, director, partner, or principal been the subject of any past or pending non-routine investigation or inquiry by a federal or state agency or self-regulatory body regarding fiduciary responsibilities or other investment-related matters? If so, describe each instance and indicate if any directives, letters or opinions were issued concerning said inquiry.

5.11.4 Over the last ten (10) years, has the bidder or any officer, director, partner, or principal been involved in any past or pending civil or criminal litigation or legal proceeding related to the bidder’s business? If so, describe each instance.

5.11.5 Over the last ten (10) years, has the bidder or any officer, director, partner, or principal been convicted of, pled guilty to, or pled nolo contendere to a felony? If so, describe each instance.

5.11.6 Summarize the coverage for errors and omissions, professional liability, fiduciary insurance or fidelity bonds held by the bidder (i.e., amounts and respective carriers).

5.11.7 Over the last ten (10) years, has the bidder submitted a claim to its errors and omissions, professional liability, fiduciary insurance or fidelity bond carrier(s)? If so, describe each instance.

5.11.8 Has the bidder ever filed, voluntarily or involuntarily, for bankruptcy protection or otherwise been subject to the appointment of a receiver, trustee, or assignee for the benefit of creditors? If so, describe each instance.

## **5.12 INVESTMENT STRATEGY**

For sections 5.12, 5.13, and 5.14 **please provide one complete and separate set of responses and corresponding tables for the proposed Asset Class.** We expect that some bidders may manage multiple products or strategies within a given Asset Class, some of which may be closed to new investors, and these products may have modest variations in terms of portfolio concentration and characteristics. DOI also encourages bidders with a single strategy or product to bid. Our intent is to evaluate bidders on a holistic basis across multiple products within the Asset Class.

Briefly provide an overview of the proposed strategy investment environment:

a) Past, present, and expected future conditions.

b) Where do you see the best opportunities going forward?

c) How have these opportunities changed in recent years?

d) How do you plan on capturing these opportunities?

5.12.1 Table 5.1.12.1 in the attached Information Table, provide all products you currently manage for the proposed Asset class, including the current and remaining capacity for each product managed within the Asset Class.

 How is this capacity determined? If this capacity is reached, would a “hard” close (no new assets from any source) or “soft” close (new assets allowed from existing clients or within certain vehicles) be instituted?

5.12.2 On Table 5.12.2 in the attached Information Table, provide the 2020 calendar year-end information for the bidder’s commingled and separate accounts for each proposed strategy.

5.12.3 On Table 5.12.3 in the attached Information Table, for each proposed strategy, show the number of accounts gained or lost along with the corresponding asset values for each of the last five calendar years. For clients lost, please state the reason.

5.12.4 On Table 5.12.4 in the attached Information Table, for each proposed strategy, provide the number of accounts and assets under management (AUM) as of December 31, 2018, December 31, 2019 and December 31, 2020.

5.12.5 On Table 5.12.5 in the attached Information Table, provide the size of the bidder’s largest and median advised/managed accounts in each proposed strategy?

5.12.6 On Table 5.12.6 in the attached Information Table, provide a listing of the top U.S. public fund clients by AUM (up to 3) for each proposed strategy. Include the size of the AUM at present and the length of engagement.

5.12.7 If the bidder has experienced significant growth or declines in AUM, how has this affected the liquidity profile of each proposed strategy or the stability of the organization or investment team? How has the bidder been able to mitigate any potential negative effects of this asset growth or decline on the ability to generate strong excess returns going forward?

## **5.13 INVESTMENT PROCESS – ASSET CLASS**

5.13.1 Describe the firm’s investment philosophy and process as well as any aspects unique to the proposed Asset Class. The description should include detail on top-down (economic and thematic) versus bottom-up (security selection). The description should also include detail on duration management; sector/industry selection; capital structure selection (Senior vs. Secured vs. Subordinated); ratings selection; and, individual security selection. The response should describe the firm’s research effort, portfolio construction guidelines, sell discipline, trading practices and portfolio turnover. Feel free to also include details of the workflow between the portfolio manager(s), trading and research. For example: “Do Traders provide investment ideas or just execute?” How are pricing expectations communicated? Limit the response to this question to no more than 2 pages.

5.13.2 Are quantitative methods used as part of the investment process? If so, describe and indicate the relative contributions to performance of quantitative versus fundamental factors. Also, indicate the relative contribution to performance of duration, sector/industry, ratings, and security selection.

5.13.3 Illustrate the bidder’s investment process for the proposed Asset Class by identifying and describing the analysis behind two buys made during the past three months that are deemed to be most significant (one should address an adjustment to a position). Limit the discussion of each security purchase to one page.

5.13.4 Illustrate the bidder’s investment process for the proposed Asset Class by identifying and describing the analysis behind two recent sells (one of these sells should be an investment that did not work out) made in a portfolio. Limit the discussion of each security sale to one page.

5.13.5 Discuss unique methods utilized by the bidder in gathering or analyzing information. What is the bidder’s competitive advantage over other managers or advisers?

5.13.6 Describe the strategy’s buy and sell discipline. Are stop-loss procedures utilized?

5.13.7 Describe the investment decision making process. Who is involved, who has ultimate decision making authority? Does someone hold a veto right over the investment decision? Identify the lead portfolio manager and the backup portfolio manager for the potential relationship. Do analysts decide what makes it into portfolio or do portfolio managers? Who decides on the positioning sizing for an initial purchase and then over time?

5.13.8 Describe the degree to which any strategy within the proposed Asset Class will invest in non-benchmark securities. Non-benchmark positions are allowed. Information on non-benchmark names provides color on investment strategy.

5.13.9 Describe the use of ETFs, derivatives, or other vehicles to gain market exposure to certain countries or sectors. Describe how their use may affect proposed fees. Current permissible derivatives for the Pension Fund include FX forwards (N.J.A.C. 17:81), Futures (N.J.A.C. 17:16-82), Swaps (N.J.A.C. 17:16-83), Covered Call Options (N.J.A.C. 17:16-84) and Put Options (N.J.A.C. 17:16-85). Counterparties are limited to those with which DOI has directly executed the applicable agreements, including but not limited to Option Agreements, Futures Agreements, Margin Agreements, ISDAs and Dodd Frank Protocol Agreements. The Division does not currently have any executed ISDA agreements in place. A list of counterparties with which the DOI has executed other types of agreements will be provided upon contract award.

5.13.10 How is cash utilized in the strategy? What is the maximum amount of cash a portfolio manager may hold in a portfolio? What is the typical range of cash allocation? How long may a portion of the portfolio remain uninvested?

5.13.11 What enhancements have been made to the investment process over the past three years (e.g. emphasized, deemphasized or changed purchase criteria)?

5.13.12 Describe the trading process. Once a security is identified as a buy or sell, how is the trade implemented? Are there dedicated traders? If so, how many traders and list their experience. Are traders dedicated to HY bonds, or do they trade other securities/asset classes as well? How much discretion do the traders have in implementing the trade?

5.13.13 How is the effectiveness of the trading system monitored? How is best execution determined?

5.13.14 Is trading effectiveness of the bidder’s currency trading monitored? How is execution quality monitored?

5.13.15 Does the bidder have dedicated ESG analysts or are sustainability issues integrated throughout the strategy’s research team? Please explain your approach and rationale. Discuss the use of internal ESG ratings, if any. If external ESG ratings are utilized, please provide the names of third-party vendors and how they are incorporated into the investment process.

5.13.16 Please list some examples of ESG risks and opportunities that you have considered in your investment decision-making process for the proposed strategy(s). Has a portfolio manager trimmed/sold out of/added a premium to an asset as a result of ESG considerations for the proposed strategy(s)? Please provide an example. Does the bidder take an active ownership approach and engage with company management on governance and sustainability issues? If so, please explain.

## **5.14 RISK MANAGEMENT**

5.14.1 List the main risks associated with the proposed Asset Class and describe how each is explicitly measured and managed at both the individual security and aggregate portfolio level. Please provide information requested in table 5.1.14.1

5.14.2 Identify the person(s) or group primarily responsible for the risk management function.

5.14.3 Discuss how risk management both interacts with and maintains independence from the other aspects of the investment process.

5.14.4 List applicable portfolio constraints or guidelines (e.g., target exposures and allowable ranges, either benchmark-relative or absolute) and describe any other quantitative or qualitative risk controls. Include such things as maximum position sizes, as well as minimum or maximum rating weightings or sector/industry weightings. (Please note that we do not expect Contractor credit quality analysis to be beholden to the Rating agency buckets but do still find the information relevant for overall portfolio color.)

5.14.5 How frequently is stress-testing and scenario analysis performed on the proposed strategy? How is risk monitored at the position and portfolio levels? How is risk controlled when making country, currency, sector, and company allocations? What models or other tools do you use for portfolio risk management? Specifically provide names of commercial systems or platforms.

5.14.6 List the number of defaults by calendar year and the percent of the portfolio that defaulted (based on cost of position) for the last 20 years or since inception. Compare to the benchmark default rate. Identify the number of positions and the percent of the portfolio (based on the cost of the position) that was sold at distressed levels (price less than 60) as well as stressed levels (price between 60 and 88).

5.14.7 Explain how a sell decision is made, as it relates specifically to risk mitigation. What is the process to remove or reduce a position in the portfolio? Who has the authority over the investment decision? How does the sell decision making process differ from the purchase decision?

5.14.8 Describe any hedging activities pursued in the proposed Asset Class, including what risks/exposures are typically hedged, instruments used and how hedging activities enhance risk-adjusted performance. Include a discussion regarding the bidder’s currency hedging approach and policies. Current permissible derivatives for the Pension Fund include FX forwards (N.J.A.C. 17:81) and Futures (N.J.A.C. 17:16-82). Counterparties are limited to those with which DOI has directly executed ISDA and Dodd Frank Protocol Agreements.

## **5.15 INVESTMENT PROCESS – STRATEGY**

For section 5.15, **please provide one complete set of questions, answers, and corresponding tables for the proposed strategy** i.e. if you are proposing multiple strategies, you should answer the questions for each one separately.

5.15.1 Describe the investment universe for each proposed strategy, including the types of securities utilized. Within this universe, are there any subsets that could be characterized as the primary focus?

5.15.2 On Table 5.15.2 in the attached Information Table, please provide the percentage of portfolio holdings in each duration bucket as of June 30, 2021, June 30, 2020 and June 30, 2019. Please perform the same exercise for ratings buckets (and specify what rating agency or blend of agencies is being used). Populate the table with percentages of the portfolio market value.

5.15.3 On Table 5.15.3 in the attached Information Table, please indicate what sectors are overweighed and underweighted in each proposed strategy as of the same time periods referenced above. Provide relative percentage weightings for these sectors. For HY, it is preferred that the BICS Sectors are used (Basic Materials, Capital Goods, Cash, Communications, Consumer Cyclical, Consumer Non-Cyclical, Diversified, Energy, Financial, Government, Industrial, Technology and Utilities). It is up to the bidder’s discretion if it would like to include Industry Groups as Sub-sectors.

5.15.4 Describe your investment philosophy for the product. What market anomaly or inefficiency are you trying to capture? Why do you believe this philosophy will be successful in the future? Please provide any evidence that supports this belief. How has this philosophy changed over time (if applicable)? Under what, if any, circumstance would you deviate from the disciplines associated with this philosophy? Describe the market conditions under which the investment philosophy is expected to outperform as well as market conditions under which it will underperform.

5.15.5 Discuss any periods in which each proposed strategy experienced exceptionally good/bad performance or high/low volatility. In essence, provide context and explanation for any periods that had significant variances from the benchmark.

5.15.6 Provide a representative portfolio as of June 30, 2021 and describe the number of issuers and issues typically held in a portfolio. Describe the typical position sizing, the max issuer concentration and thought process around the top 10 positions or highest conviction names.

## **5.16 PERFORMANCE HISTORY**

5.16.1 Provide each proposed strategy’s monthly composite returns, gross of fees, for the last ten calendar years in table 5.16.1 (or since inception, if that period is shorter) through June 30, 2021.

5.16.2 Please provide an annual performance attribution for each proposed strategy within the asset class for calendar years 2007 through 2020 and the semi-annual attribution for the 6 months thru June 30, 2021. The attribution may include sector selection, yield curve positioning, duration, currency (if appropriate) and security selection decisions.

## **5.17 COMPOSITE QUALITY**

5.17.1 Please indicate which of the following type(s) of portfolios are included in the composite ending June 30, 2021.

* Fully Discretionary Separate Account Portfolios Only
* Both Fully Discretionary and Restricted Portfolios
* Commingled Vehicles
* Other (Please Specify)

5.17.2 Is the composite for each proposed strategy calculated in compliance with CFA Institute GIPS? If so, what is the initial date of compliance? Has a third party been involved in certifying compliance with GIPS standards?

5.17.3 Has it been the bidder’s policy to include all fully discretionary portfolios in the composite since its inception? If not, please explain.

5.17.4 Are there currently any fully discretionary portfolios excluded from the composite? If so, provide an explanation for each instance.

5.17.5 Are terminated portfolios included in the composite? If not, please explain.

5.17.6 When are new portfolios included in the composite? Has this policy been consistently applied since inception of the composite?

5.17.8 How are portfolios in the composite weighted? Has this policy been consistently applied since inception of the composite?

5.17.9 Are cash returns mixed with asset returns? Has this policy been consistently applied since inception of the composite?

5.17.10 Are accounts ever switched from one composite to another? What determines the appropriateness of any such changes?

5.17.11 As of June 30, 2021, provide the number of accounts and assets for both the investment style of each proposed strategy and the composite itself.

5.17.12 Provide the performance dispersion (high, low and median returns) of the accounts in each of the composites for the past five calendar years as well as the 6 months ended June 30, 2021.

## **5.18 ADDITIONAL INFORMATION**

5.18.1 Provide five references of clients who employ the bidder to manage or advise accounts in the proposed Asset Class. Include a contact name, phone number, inception date and the market value of the assets the bidder manages or advises for each reference. Please include longer term clients to the extent possible.

5.18.2 Please provide five references of institutional clients that have discontinued their use of the bidder’s services for the Asset Class. Include a contact name, dollars ($ mm) managed or advised at the time of termination, termination date, and the specific reason(s) for termination.

5.18.3 Provide the names of the top 10 (ten) brokers used for trading and how these firms are evaluated for effectiveness.

The bidder must submit its pricing using the format set forth in the State-supplied price schedules accompanying this RFP. Failure to submit all information required may result in the proposal being considered non-responsive. Each bidder is required to hold its prices firm through award of the Contract and shall not increase such prices during the term of the Contract.

The State reserves the right to negotiate final price with the Bidder(s) selected to provide these service(s).

The State’s obligation to pay the Contractor is contingent upon the availability of appropriated funds from which payment for contract purposes can be made. No legal liability on the part of the State for payment of any money shall arise unless funds are made available each fiscal year to the DOI by the Legislature for such purposes.

**Proposal prices must be typed or written in ink. Any price change (including “white-outs”) must be initialed.**