**REQUEST FOR PROPOSALS FOR PORTFOLIO VERIFICATION SERVICES**

**RFP #25-05**

**EXHIBIT E – QUESTIONNAIRE**

Please specify whether your proposal covers Option 1, Option 2, or both, as outlined in the Scope of Work. For purposes of this Exhibit, the terms “you” and “your” refer to the Offeror as that term is defined in Section 4.1, *Definitions*, of the RFP.

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|  | **Option 1**: For all internally managed funds, the WSIB is seeking monthly portfolio verification and daily cash reconciliation services. For internally managed daily valued funds, the WSIB is seeking current day daily pricing and net asset value (“NAV”) calculations. |
|  | **Option 2**: For all externally managed funds, the WSIB is seeking periodic (a minimum of monthly) portfolio verification and cash reconciliation services. |

**OFFEROR PROFILE**

1. **Company Background and Structure:**

Please provide a brief overview of your company, including the following details:

* 1. *Company overview*: Briefly describe your company, its mission, key products or services, and the markets you serve.
  2. *Corporate structure*: Outline the structure of your company, including the parent organization and any subsidiaries, affiliated entities, or joint ventures.
  3. *Leadership information*: Provide details on the company’s leadership team, including bios of key executives (e.g., CEO, CFO, COO, etc.). Include their professional backgrounds, relevant experience, and roles within the company. Please limit bios to no more than one page per person.
  4. *Ownership information*: Please provide information regarding ownership, including major stakeholders, investors, or any relevant shareholder details.
  5. *Years in business*: Indicate how long your company has been in operation and provide a summary of any significant milestones or achievements.

1. **Experience and Expertise:**
   1. How long has your company been providing portfolio verification and shadow accounting services?
   2. The WSIB is evaluating the experience, depth, stability, and capacity of bidding firms and the qualifications of staff proposed to support WSIB’s account. What differentiates your company from others in providing the services outlined in the RFP, and why is your solution the best fit to meet our specific needs?
      1. What are your goals for growing and evolving your portfolio verification and shadow accounting services over the next 5 years?
   3. What other lines of business does your organization have? In terms of staffing and revenue, what proportion of your business is composed of portfolio verification and shadow accounting?
   4. Please provide a list of current and former clients for whom you provide(d) portfolio verification and shadow investment accounting services by completing both worksheets included in Exhibit J, *List of Offeror Clients*.
   5. Describe your work with custodial banks. Outline the types of engagement and interactions you have with custodians, identify the number of custodians you currently work with, and which custodian(s) you work with most often.
   6. Outline any disciplinary actions or litigations brought against the firm or its staff in the last 10 years.
2. **Staff Support:**
   1. Please describe your support model. Include the following in your response:
      1. What is your issue resolution process? Will WSIB have a single point of contact for issue resolution?
      2. What steps do you take to mitigate key-person risk associated with personnel supporting our account?
      3. What hours will the team(s) supporting WSIB be available? Will they be available, at minimum, between 7:00 AM Pacific Time (“PT”) and 5:00 PM PT each day Business Day?
      4. On occasion, WSIB requires urgent, after-hours support. Although this occurs infrequently, what support would be available during these times?
   2. Provide the qualifications of staff that will be assigned to the WSIB. Please limit your response to this question to no more than one page per staff member. In addition, please briefly explain how you identified the staff that you are proposing be assigned to the WSIB account.
   3. For those staff who will support WSIB’s account, do they each individually have a minimum of three years of portfolio accounting and reporting and/or related accounting systems support? Where are they located geographically?
   4. What level of overlap exists between the portfolio verification and shadow accounting team members? How much, if any, cross-training will occur between these teams?
   5. Will you employ subcontractors to perform any portion of the services sought by WSIB? If so, please describe this relationship and the functions performed by subcontractors.
   6. Please provide your staff turnover rate over the last 5 years in general, and separately for the portfolio verification/shadow accounting unit.
   7. Please provide a current org chart for all teams that will support WSIB’s account.

**PORTFOLIO VERIFICATION (INCLUDING CASH RECONCILIATIONS)**

1. **Cash Reconciliations and Projections:**
   1. Are you capable of providing cash reconciliations for asset classes within the WSIB? Please describe your reconciliation process, cadence, and technologies used.
   2. Describe your process for calculating a daily sweep of WSIB’s reconciled cash into a short-term investment fund (“STIF”).
      1. The WSIB aggregates certain cash flows to facilitate its daily STIF purchase or sale. Can your system automatically compute and post a net STIF purchase or sale on a daily basis by fund for multiple sweep vehicles? If so, describe the process.
      2. Please include your process for automatically transferring cash flows received in one custody account into another account to support this process. Please confirm this will require no manual intervention by WSIB staff.
   3. Cash flows are projected daily in USD and foreign currencies for reconciliation with the Custodian. Are you able to provide cash projections to WSIB by noon PT the day prior to settlement and by 7:00 AM PT on the day of settlement? If you are not able to meet those times, please indicate what times you are capable of meeting.
2. **Security and Position Reconciliation:**
   1. Describe your process for verifying security and position reconciliation. How do you ensure accuracy in security identifiers (CUSIPs, ISINs) and descriptions?
      1. How do you resolve discrepancies in security and position data?
   2. Are there any securities identified in Exhibit I that you are unable to correctly account for?
3. **Transaction Reconciliation:**
   1. How do you ensure accurate computations and reconciliation of all transactions, including trades, corporate actions, principal paydowns and maturities, income received and accrued, capital gains, expenses, interbank transfers, and wire transfers?
   2. Describe your process for validating trade settlement dates, prices, and transaction costs.
4. **Valuation Verification:**

What methodology do you use to verify the accuracy of asset valuations? How do you ensure that pricing reflects fair market values?

1. **Income and Cash Flow Verification:**

How do you verify and reconcile income from dividends, interest, and other sources?

1. **Verification Reporting and Discrepancy Resolution:**
   1. Describe your daily and month-end process and timeline for portfolio verification in detailed steps. Include the month-end close process for WSIB’s internally managed funds within your system(s). What day of the month will fully-verified and accurate information be available for review by WSIB staff?
   2. Describe your process for performing reconciliations between the investment manager’s records and the Custodian’s records.
      1. What data sources do you use?
      2. What steps do you take to investigate and resolve discrepancies between these records?
      3. What documentation do you provide to confirm that discrepancies are resolved?

**SHADOW ACCOUNTING SERVICES**

1. **Transaction Processing:**
   1. How do you record and process transactions, including purchases, sales, transfers, income accruals, dividend and interest payments, corporate actions, and tax and reclaim-related adjustments?
      1. Describe this process as it relates to external managers’ transactions as well as transactions instructed by the WSIB.
      2. Do you support automated trade posting from Bloomberg AIM?
   2. Does your system allow for electronic authorization with various access/permission levels? If so, describe your process and controls to ensure appropriate access and permissions are granted and maintained accurately.
2. **Accruals and Adjustments:**

How do you track and record accruals and adjustments, such as interest and dividend accruals, tax reclaims, expenses, or pending trades, in your shadow accounting system? Are tax reclaims and other accruals independently computed or sourced from custodian records?

1. **Cash Projections and Reconciliations:**

Can you independently project and reconcile daily cash flows? Please describe how this process works, including any automated reconciliation.

1. **Alternative Assets Accounting:**
   1. Are you currently able to support the accounting and reconciliation of alternative asset cash flow? If so, describe the cash flow process, reconciliation, and available reporting.
   2. Do you have the ability to intake data and create valuation and projection reporting? Are these customizable?
2. **NAV Calculations:**
   1. Describe your process for calculating NAVs for daily valued funds. Include the following in your response:
      1. *Delivery timelines*: are you able to deliver NAVs, including individual holding details and accruals, to WSIB by 2:30 PM PT each day?
      2. *NAV details*: can you provide calculation details to WSIB at the time NAVs are delivered, including underlying holdings and accruals?
      3. Which of your clients currently receive these services?
   2. Describe your process for calculating month-end NAVs.
   3. Describe your system’s ability to unitize ownership for both monthly and daily valued commingled funds and discuss options for customization. Please see Exhibit K for owner fund details.
   4. Are prices for publicly traded securities independently sourced and, if so, from where?
3. **Reconciliation with Custodian:**
   1. Describe your process for performing reconciliations between the shadow accounting records and the custodian’s records.
   2. What steps do you take to investigate and resolve discrepancies between these records?
   3. What documentation do you provide to confirm that discrepancies are resolved?

**DATA FEEDS, REPORTING, AND DOCUMENTATION**

1. **Data Feeds:**
   1. Describe your system’s ability to receive data feeds.
      1. What automated data feeds do you currently receive related to the services in this RFP? At a minimum, this should include pricing feeds. Additionally, for Option 1, this should also include Bloomberg AIM.
      2. What data sources are your systems capable of ingesting? Do you have the ability to ingest data feeds from external managers?
   2. Describe your system’s ability (if any) to produce data feeds. If desired in the future, is your system capable of producing data feeds for WSIB?
2. **Reporting Capabilities:**

Please describe your ability to provide the following types of reports:

* 1. Daily cash projections, including income and principal payments, transfers, and settlement date trades.
  2. Monthly reporting of all trading activity, investment costs, market values, income collections, accruals, cash flows, corporate actions, asset transfers, currency valuations, and brokerage commissions.
     1. Is your reporting customizable based on the transaction type?
  3. Daily NAVs for daily valued funds.
  4. Monthly NAVs for all other funds.

1. **Data Accessibility and Transparency:**
   1. How do you ensure full visibility into the shadow accounting data? Please describe the level of detail and type of reports provided by your reporting system.
   2. Can your system generate automated reconciliation reports? If so, describe the process and output.
   3. Please provide examples of all your standard reports.
   4. Can your reports be customized for specific needs? Please describe the flexibility of your reporting system.
   5. Can reports be generated on both a scheduled basis and as needed for ad-hoc requests?
   6. When downloading reports, what file formats are supported (e.g., MS Excel, CSV, PDF, etc.)?
2. **Audit and Compliance:**
   1. How do you maintain and manage an accessible audit trail for all shadow accounting processes?
   2. Can your audit trail be easily reviewed for verification purposes by WSIB staff or auditors?
   3. Does your system allow for transaction approvals and tiered permissions/access? What levels of access are currently available?
   4. When was your last independent audit (e.g., SOC 1, SOC 2, or equivalent)? Please provide a copy of the audit report.
   5. What steps do you take to ensure compliance with records retention requirements?

**ONGOING MONITORING AND ISSUE RESOLUTION**

1. **Monitoring and Issue Resolution:**
   1. How do you monitor the accuracy and timeliness of custodian reports and transactions?
   2. What process do you follow to flag and resolve inconsistencies or discrepancies between the custodian’s records and your own?
2. **Proactive Improvements:**

Can you provide an example of a proactive suggestion you made to a client to meaningfully improve accuracy and/or efficiency in their portfolio verification and shadow accounting processes?

**CLIENT AND SYSTEM SUPPORT**

1. **Client Training:**

What is your plan for initial and ongoing training and support for WSIB staff who are using your portfolio verification and shadow accounting system?

1. **System Updates and Improvements:**
2. How will you accommodate future changes to WSIB's portfolio (e.g., new funds, new investment types, or additional external investment managers)?
3. If system modifications are necessary in the future to support WSIB’s needs, what is your process for facilitating these types of changes?
4. Provide examples of systems enhancements and/or process improvements your firm has implemented in the last 10 years (including those that are in progress) related to the services being sought by the WSIB. How did these changes improve your clients’ experience?
5. What is your process for ensuring system updates are tested and implemented in a timely manner?
6. What are your current planned enhancements and upgrades to your systems over the next 5 years? Please include estimated implementation dates.

**CONVERSION AND SYSTEM IMPLEMENTATION**

1. **Conversion Services** *(to be answered by non-Incumbent Offerors only*)
   1. Please provide a complete conversion plan to include your staffing levels, WSIB support needed, timelines, milestones, parallel processing approach, and accessibility to test environments.
   2. How do you manage the conversion of data from an existing verification system? What steps do you take to ensure the integrity of converted data?
   3. How do you ensure a client’s smooth transition to a new verification system at the end of a contract term?

**TECHNOLOGY RESILIENCE AND DATA PROTECTION**

1. **IT Support Organization**:

Describe your technology support organization. Include in your response information about responsibilities, reporting lines, and staffing.

1. **IT Risk & Security Assessments:**
   1. Have you completed a risk assessment to identify cyber security and physical threats, vulnerabilities and potential business consequences? If yes, who completed the assessment and what findings/recommendations were there? If no, are there any plans to undertake such a risk assessment?
   2. Do you use an established framework for IT security assessments? Please list the framework(s) you use. How often do you conduct IT security assessments?
   3. What are the main cyber security challenges your organization faces, and how do you plan to overcome these?
   4. What is your client response plan and notification procedures in the event of a security breach?
2. **Data Protection:**
   1. Please describe the methods and protocols you use to ensure that WSIB’s data is encrypted both in transit and at rest. Specifically, outline the encryption standards (e.g., AES-256, TLS 1.2/1.3) you implement, how encryption keys are managed and protected, and any additional security measures in place to prevent unauthorized access to sensitive data.
   2. Please explain how you ensure the segregation of data between different clients.
   3. Please outline your data disposal and destruction procedures for securely handling and permanently deleting WSIB’s data when it no longer needs to be retained. Specifically, describe the processes you follow to ensure data is irretrievably erased from all storage systems and devices, including any third-party vendors that may be involved.
3. **Security Patch Management:**

Please describe your patch management process including:

* 1. Time-specific criteria for deploying patches as soon as reasonably possible after notification, including criteria for zero-day patches.
  2. Your method of categorizing the criticality of patches.
  3. Regular verification that available patches are managed according to your patch management process.
  4. A requirement for current patches on devices connecting to your internal network. (A patch level baseline).
  5. Do you restrict access from devices that do not conform to the patch management policy?

1. **Protection from Malicious Software:**

How do you defend against malware?

1. **System Recovery:**
   1. Describe your major systems backup and a synopsis of your contingency plan(s).
   2. Describe your disaster recovery plan, including the following:
      1. Provide an estimate of the maximum elapsed time before the restoration of processing transactions in the event of disaster.
      2. What is the frequency of your disaster recovery tests?
      3. Were there any deficiencies noted in the last test?
      4. Describe your process for file back-up and off-site storage, including frequency and location.
   3. What was the number of occurrences and percentage of downtime during the last two years? What were the primary causes, and how were the problems corrected?
2. **Artificial Intelligence:**

Will artificial intelligence (AI) be used in the provision of services to WSIB? If so, please provide a detailed explanation of how AI will be utilized, including its role in the service delivery process. What measures do you have in place to ensure ethical use and bias mitigation, human output verification, and transparency?

1. **Technology Requirements:**

Identify technology requirements necessary for WSIB including network connectivity and personal computer hardware and software requirements. Include any third-party software necessary, such as Java or similar.

1. **Level Agreements and Performance Guarantees:**

Provide a copy of your standard service-level agreements (“SLAs”) and/or performance guarantees.