

**ATTACHMENT E**  
**ITN 16-0015**  
**VENDOR QUESTIONNAIRE**

Vendors **shall submit** the answers to this Attachment E in Folder 3 of their response, answering all questions in narrative format. Except as noted, answers to each question should not exceed one page in length (answers to bulleted questions should not exceed more than one page in length per bullet). The answers provided by Vendors will be evaluated as described in Section 3.7, Evaluation Process. When responding to each question, Vendors should include any key features or services offered by Vendor that distinguish itself from other competitors in the industry.

Section I – Company Profile	20
<div>1. Describe your firm, how it is organized and the resources available to provide the services described herein. In addition to the overall description, Vendors should address the following specific points:<div><div>a. Does your firm have internal resources or a specialty group dedicated to and/or focused solely on serving insurance and/or quasi-governmental clients? If so, please describe these resources including how long the group has been operating and the number of professionals (analyst level or above, full-time employees) specializing in property and casualty insurance.</div><div>b. Describe the firm’s participation in industry initiatives in all areas of service contemplated by this ITN.</div><div>c. Describe your firm’s customer help desk environment, including help desk hours and type of online chat, telephone or other support availability where applicable.</div><div>d. Provide the location of the office that will staff the resources to fulfill the services described herein and work on Citizens’ account(s).</div></div></div>	10
<div>2. Provide documentation to substantiate the qualifications and experience of Vendor’s firm and the proposed implementation team.<div><div>• The Vendor should provide a description of capabilities, related to projects of similar size, complexity and business.</div><div>• Provide resumes or biographical descriptions of the personnel that would be assigned to Citizens’ account(s). Include in this description the number of accounts assigned to each key personnel, including Citizens’ account(s).</div><div>• The Vendor may include any additional literature and product brochures.</div></div></div>	
<div>3. Provide a detailed overview of your firm’s experience in providing systems that support investment performance measurement, compliance evaluation, and risk analysis. In particular, Citizens is interested in unique experiences and services offered by your firm that distinguish you from others.</div>	
<div>4. Describe your firm’s policy and procedures regarding system upgrades. Include schedules where applicable. Identify any standards for advance notice, ability to opt out or other flexibility options related to system upgrades.</div>	5
<div>5. Identify the sources you use to obtain your information related to pricing and credit ratings.<div><div>a. What policies and procedures do you have in place to ensure that your data feeds are accurate and reliable?</div><div>b. Describe how these resources are used to fulfill the requirements of the service being provided.</div></div></div>	

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6. In the event of a Catastrophe, and disaster recovery is needed, describe your firm's method of archiving and backup methods. Include retention schedules and storage sites. Indicate if off-site storage sites are utilized.	5
7. Do you have an SSAE-16 report (Service Organization Controls 1 report) for operational controls? If not, do you engage in independent audits? If yes, please provide a copy of your latest Type 2 report.	
Section II – Investment Performance	30
1. Please describe published industry benchmark indices available on the system (specifically Barclays and Bank of America/Merrill Lynch). Describe your ability to calculate custom benchmark returns and report performance relative to the custom benchmarks.	15
2. Describe your system's methodology of measuring investment performance.	
3. Which of the following types of returns can the system calculate: gross return, return net of management fees, and returns net of all fees?	
4. Describe how your investment performance calculation methodology accounts for transaction flows and the timing of such flows?	
5. Can investment performance calculations handle complex security information (for example interest rate futures)? Please give an example and describe your process.	
6. Discuss the policies your organization has adopted to ensure: <ul style="list-style-type: none"><li>Maintenance of consistency between information reflected in the custodian accounting and investment performance measurement reports for a given period.</li><li>Improving the accuracy of investment performance-sensitive data.</li></ul>	
7. Please discuss your rate-of-return reconciliation processes and tolerance levels. <ul style="list-style-type: none"><li>What report is provided to clients to reconcile accounting information of the investment performance reports with accounting statements for the same period?</li><li>To the extent that your performance data relies on preliminary data that is subsequently revised, how do you handle discrepancies in performance data (for example discrepancies between the trade date and settlement date)?</li></ul>	
8. Describe the process for calculating performance using cash and asset transfers data on the trade date and/or settle date.	
9. Please describe your system's capability to do performance-attribution analysis (e.g., attributing excess return to sector allocation or security selection decisions). Can performance analytics and attribution be provided for Citizens accounts and	

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aggregates of accounts versus relevant assigned benchmarks and peer groups?	
<p>10. Reports should be deliverable through a secure online portal. Explain how Citizens staff would access your system:</p> <ul style="list-style-type: none"> <li>• Include a description of any hardware required to access your system.</li> <li>• Is a security token required to login</li> </ul>	10
<p>11. The investment performance measurement system should provide monthly performance reports and electronic files detailing the market values, cash flows, average balance, average credit rating, average duration and time-weighted returns of each portfolio. (These reports should include custodied assets as well as any consolidations deemed necessary by Citizens). It is critical that the report includes market values, cash flows, and time-weighted returns. Vendor should provide an example report that includes as many of the items above as possible.</p>	
<p>12. How frequently is investment performance measurement completed, and how soon are reports available following period-end?</p>	
<p>13. Describe the ability of the system to produce daily/weekly/monthly investment performance reports or on an as needed basis.</p>	
<p>14. Citizens expects raw transaction data, rates of return, and/or any other information concerning Citizens accounts to be transmitted from the custodian to the investment performance measurement system during implementation and on a daily and monthly basis as directed by Citizens. How will the investment performance measurement system use this data to calculate investment performance? Please explain your systems capabilities and system requirements. Please describe your system's capabilities to remit daily performance.</p>	5
<p>15. Citizens prefers raw and calculated investment performance data to be stored by the investment performance measurement provider and have no limit on the volume of data stored and accessible to Citizens in electronic transferable format. Upon termination of the relationship, comprehensive raw and calculated data will be provided to Citizens in a format specified by Citizens. Please describe your ability to meet this requirement.</p>	
<p>16. Can historical performance data for all accounts (both open and closed), composites (both open and closed), and benchmarks (both standard and custom) be accepted by the investment performance measurement system to be used for reporting purposes? Please describe.</p>	
<p>17. When requested, how will relevant investment performance and analytics educational/training be provided to Citizens' staff?</p>	
<p>18. New Vendors should provide a timeline for implementation of the Vendor's system, including integration with Citizens' banks (up to four):</p> <ul style="list-style-type: none"> <li>• Confirm ability to meet expectation of fully functioning system which is operational on or before May 14, 2017 (See Section 2 of the ITN for</li> </ul>	

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additional details). <ul style="list-style-type: none"><li>Describe how you would ensure a smooth transition.</li></ul>	
19. Identify any “value-added” services your firm will provide to Citizens related to this section.	
Section III – Compliance and Risk Analytics	30
1. Please describe your system’s ability to test all the rules contained in Citizens four investment policies? (See Exhibits A,B, C, and D)	10
2. Does the system have the ability to test concentration limits on the underlying obligor for municipal securities? Please provide an example.	
3. Does the system have the ability to test concentration limits on the underlying banks providing Lines of Credit (LOCs) for municipal securities? Please provide an example.	
4. Does the system provide the ability to test short term, long term, and underlying, parent and program ratings from Moody’s, S&P and Fitch? Please provide an example.	
5. Can the software evaluate Citizens investment portfolios at the close of each business day to determine if each trade made during the day and the portfolio holdings at the end of the day comply with the portfolios designated investment policy? Please describe. As part of your explanation, identify if these reports provide a list of non-compliant trades by investment manager or by aggregates of investment manager accounts on a monthly basis?	
6. Reports should be deliverable through a secure online portal. Explain how Citizens staff would access your system: <ul style="list-style-type: none"><li>Include a description of any hardware required to access your system.</li><li>Is a security token required to login?</li></ul>	10
7. Discuss your ability to receive electronic accounting data files from the custodian and to produce daily/weekly/monthly reports.	
8. Will the system generate a month-end audit report that cannot be altered and lists individual external manager portfolios and whether or not the portfolios comply with Citizens investment policies? Provide an example.	
9. What is your practice on creating custom reports for clients? Describe the extent to which your system provides live custom (interactive) reporting using a subset of the data.	
10. Can the system generate a month-end report describing the nature and resolution of instances where investment managers were outside the Citizens investment policy parameters? Please provide an example report.	
11. Exposure reporting must function on a look-through basis. How does your system meet this requirement?	5
12. Describe and confirm the software's ability to monitor Citizens investment portfolio at the close of each business day to assess Citizens position with regards to risk parameters as set by Citizens. Can the software perform such monitoring and notification on a more frequent basis? <ul style="list-style-type: none"><li>Notification should be sent to select Citizens staff as Citizens’ portfolio</li></ul>	

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<p>approaches defined risk parameters. Please describe process.</p> <ul style="list-style-type: none"><li>• Can the software monitor daily Citizens investment portfolio holdings for assigned rating downgrades and notify select Citizens staff daily if there is an assigned rating downgrade of any investment portfolio holding? Please describe process.</li></ul>	
13. Will the software generate a report as needed summarizing the portfolios concentrations in different issuers and asset types, weighted average maturity and weighted average credit rating? Please provide an example report.	
14. Can the system perform interest rate shock analysis and report maturities, coupon payments, interest on assets, accrued interest, average market yield, average book yield, market value, book value, income return, price return and total return for the portfolio under user-defined interest rate scenarios? Please describe.	
15. Can the system run a stress test of the liquidity of Citizens' portfolio in various scenarios to assess Citizens' ability to respond to insurance claim demands? Please describe.	
<p>16. New Vendors should provide a timeline for implementation of the Vendor's system, including integration with Citizens' banks (up to four):</p> <ul style="list-style-type: none"><li>• Providing electronic feeds and time needed to code in Citizens' compliance rules from its four investment policies (See Exhibits A,B, C, and D).</li><li>• Confirm ability to meet expectation of fully functioning system live on or before May 17, 2017 (See Section 2 of the ITN for additional details).</li><li>• Describe how you would ensure a smooth transition.</li></ul>	5
17. Identify any "value-added" services your firm will provide to Citizens related to this section.	