

**TOWN OF TRUMBULL
REQUEST FOR PROPOSAL
PENSION INVESTMENT ADVISOR SERVICES
RFP 5783 DUE: SEPTEMBER 3, 2008 @ 3:00PM**

GENERAL INFORMATION AND INSTRUCTIONS

1.1. INTRODUCTION

The Town of Trumbull (herein after referred to as "Town" or "Owner) is requesting a proposal (RFP) for advice and representation – consulting services - related to its Employee Pension Plan. The words "Contractor", "Vendor", "Firm", "Organization" and "Proposer" are used interchangeably in this document for entities that may submit formal responses to this request.

1.2. ISSUING OFFICE

This RFP is being issued by the Finance Department of the Town of Trumbull.

1.3. INQUIRIES

All inquiries regarding this request may be directed to Ms. Lynn Heim, Finance Director (203.452.5013) lheim@trumbull-ct.org .

1.4. INCURRING COST

The Town will not be held responsible for any costs incurred by the Proposer for work performed in the preparation and production of the proposal or for any work performed prior to the issuance of a contract.

1.5. REJECTION OF PROPOSAL

The Town reserves the right to reject any or all proposals in whole or in part or to waive any informality or technicality, irregularity or omissions if, in its judgment, the best interest of the Town will be served.

1.6. PROJECT TIMETABLE

The proposed project schedule for this RFP is as follows:

RFP Published:..... Aug 10, 2008
RFP Questions (Inquiries) Due (no later than): Aug 29, 2008
RFP Due: Sep 03, 2008
RFP Evaluation & Award: (approximately) Sept 04-15, 2008
Contract Negotiation & TOWN Approval: TBD

Please note that the above dates are estimated and are subject to change.

1.7. PERTINENT DATE

Five (5) copies of the proposal must be received at the address below on or before **September 3, 2008 by 3:00 PM**. Proposals received later than the date and time specified will not be considered and will be returned unopened. Submittal packages must be in a sealed envelope and clearly marked: **TOWN OF TRUMBULL EMPLOYEE PENSION INVESTMENT ADVISOR SERVICES – RFP 5783.**

All copies of proposals shall be submitted in sealed packages addressed to:

Ms. Lynn Heim, Finance Director
Town of Trumbull – Finance Department
5866 Main Street, Trumbull, CT 06611

1.8. PROPRIETARY INFORMATION

The Town will not disclose any portion of the proposals except to members of the Evaluation Team prior to contract award. The Town retains the right to disclose the name of the successful Proposer, the financial considerations, and any other information in the proposal that is pertinent to the selection of the Proposer.

1.9. INDEPENDENT PROJECT COST DETERMINATION AND GRATUITIES

By submission of a proposal, the Proposer certifies that:

- a) Costs associated with this request have been arrived at independently, without consulting, communication, or agreement for the purpose of restricting competition, as to any matter relating to such prices with any other Proposer or Competitor;
- b) Unless otherwise required by law, the costs which have been in this offer have not been knowingly disclosed by the Vendor and will not knowingly be disclosed by the Vendor prior to award, directly or indirectly to any other Vendor or to any Competitor; and no attempt has been made or will be made by the Vendor to induce any other person or firm to submit or not to submit an offer for the purpose of restrictive competition.
- c) No elected official, appointed official or employee of the Town shall benefit financially or materially from this contract.

1.10. **AVAILABILITY OF FUNDS**

Any contract award under this RFP is contingent upon the availability of funds to the Town. In the event that funds are not available, any contract resulting from this RFP will become void and of no force and effect.

1.11. **PAYMENT**

The Proposer will bill the Town separately based on the submission of monthly invoices in a format to be determined by the Town.

1.12. **TERMINATION FOR DEFAULT OR FOR THE CONVENIENCE OF THE CONTRACTING AGENCY**

- a) Performance under this contract resulting from this RFP may be terminated by the Town whenever:
- b) The Proposer, in the sole opinion of the TOWN, is in default of the performance of the contract and shall fail to correct such default within the period specified by the TOWN in a notice specifying default; or the TOWN shall determine that the termination is in its best interest.
- c) Termination will be effected by delivery to the Proposer of a notice to terminate, stating the date upon which the termination becomes effective. Upon receipt of the notice to terminate, the Proposer shall:
 - Prepare to stop all work by the termination date.
 - Meeting with the Town's representative to review work in progress to determine time critical tasks and to take such action as is necessary to protect the Town's rights.
 - Cooperate and participate when needed in the orderly transition of the work being performed by the Proposer.

1.13. **AMBIGUITY IN THIS REQUEST FOR PROPOSAL**

Prior to submitting a response to this request, it is the responsibility of the Proposer to bring to the attention of the Town any ambiguity in this document. Not to do so shall result in the Proposer forfeiting any claim for adjustment based on such ambiguity as should have been noted by a prudent Proposer.

1.14. **OWNERSHIP INFORMATION**

The Town shall have unlimited right to use, disclose, or duplicate, for any purpose whatsoever, all information developed, derived, documented, or furnished by the Proposer under any contract resulting from this RFP.

In the event of contract award, all data collected and other documentation produced as part of the contract will become the exclusive property of the Town and may not be copied or removed by any employee of the Proposer without written permission of the Town.

1.15. **NEGOTIATED CHANGES**

In the event negotiated changes occur after the awarding of the contract, the same pricing policies called for in the original contract will remain in effect.

1.16. **CONTRACT AGREEMENT**

The selected Proposer will be required to agree to and sign a formal written contract between the Town and the Proposer.

1.17. **INSURANCE REQUIREMENTS**

The Proposer, upon the submission of a proposal shall deliver to the Town proof of professional liability insurance in the sum of three (\$3,000,000) million dollars issued by a reputable insurance company. This insurance must be maintained throughout this engagement and proof thereof must be provided upon request.

1.18. HOLD HARMLESS AGREEMENT

In addition to its obligation to provide insurance as specified above, the selected firm, its agents and assigns shall indemnify and hold harmless the Town of Trumbull including, but not limited to, its elected officials, its officers and agents from any and all claims made against the Town, including, but not limited to, damages, awards, costs and reasonable attorneys' fees, to the extent any such claim directly and proximately results from the wrongful, willful or negligent performance of services by the selected firm during the performance of this Agreement or any other Agreement of the firm entered into reason thereof. The Town agrees to give the firm prompt notice of any such claim.

1.19. TOWN OPTIONS

- a) The Town reserves the right to reject any or all proposals and to waive any requirements, irregularities, technical defects or service therein when it is deemed to be in the best interest of the Town.
- b) If a proposal does not meet or better the required specifications and requirements contained herein on all points that must be outlined in a letter otherwise it will be presumed that a proposal is in accordance with the required specifications and requirements.
- c) The Town reserves the sole and exclusive right to determine whether or not a proposal meets or exceeds the stated specifications.

1.20. INQUIRIES

- a) All inquiries regarding this request must be submitted in writing and shall be answered up to the close of business on **August 29, 2008**, after which time no additional questions will be accepted.
- b) To ensure consistent interpretation of certain items, answers to questions the Town deems to be in the interest of all will be made available in writing or by Fax as appropriate to all interested parties.
- c) All inquiries of a technical nature may be directed to **Ms. Lynn Heim, Finance Director (203.452.5013)**.
- d) Additionally, after inquiries are received, the Town reserves the right to communicate with any or all interested parties to clarify the provisions of Proposals.
- e) **It is the sole responsibility of the responding firm to verify any addendums that may have been issued relating to this request prior to final submission of a proposal. Any notice of addendum shall be published on the Town website – Purchasing Department “Bid Notices”. Failure to submit a proposal that does not address changes or addendums may result in disqualification of a proposal.**

1.21. AWARD AND AUTHORITY

- a) The requested services shall be awarded to the Proposer whose proposal is deemed to best provide the services desired, taking into account the requirements, terms and conditions contained in the request for proposals and the criteria for evaluating proposals.
- b) The Town of Trumbull Purchasing Authority shall issue notification of award in writing.

1.22. ASSIGNMENT OF RIGHTS, TITLES, AND INTERESTS

Any assignment or subcontracting for work to be performed related to this request, in whole or in part, and any other interest in conjunction with Town procurement shall not be permitted without the express written consent of the Town.

1.23. CONFLICT OF INTEREST

No purchase shall be made from nor shall services (other than services as an official, agent, or employee of the Town) be secured from any officer or employee of the Town, or from any partnership or corporation in which such officer or employee is a partner or officer, or holds a substantial interest, unless such relationship and the fact that such purchase is contemplated shall be made known in writing to the agency making such purchase, and notice thereof posted, for at least five (5) days before such purchase be made, in the office of the agency making such purchase and in a public place in the Trumbull Town Hall.

1.24. CANCELLATION OF AGREEMENT

The Town/Town reserves the right to cancel any contract/agreement, at any time, with sixty (60) days prior written notice to the consultant, should any of the following conditions exist:

- Funds are not appropriated by the Town for continuance of this agreement.
- The Town, through changes in its requirements, method of operation, or program operation no longer has a need for the service.

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PROPOSAL REQUIREMENTS AND FORMAT

1) BACKGROUND

- a. Provide the full name of your firm and the address of the office that will serve the Town if your firm is selected.
- b. Provide a brief history of your firm.
- c. Provide a resume of the principal individual who would be responsible for servicing the Town and other individuals who most probably would service the account, including any licenses and/or certifications.
- d. Describe your firm's experience in providing investment consulting services to public pension plans in general and in Connecticut specifically.
- e. List the services provided to clients in a full-service consulting relationship. Indicate any services that may be considered the firm's areas of greatest expertise.
- f. Will you sign off as fiduciary in your contract?

2) OPERATIONS

- a. Provide an organizational chart showing functions, positions and titles of all personnel in the office that would be responsible for providing consulting services to the Town.
- b. Explain how the team assigned to the Town's account would function, including primary advisors, back-up, quality control, and support services.
- c. Indicate the percentage of revenue of your firm as a whole that is derived from consulting services. Please indicate the percentage of revenue of your firm's office that would serve the Town that is derived from consulting services.
- d. List other services offered by your firm other than investment consulting. Please indicate whether your firm or an affiliate manages money for clients. Please address potential conflicts based on your response.
- e. Explain in detail any potential or actual conflict of interest (or appearance of a conflict of interest), which may arise if your firm is selected to advise the Committee.
- f. Describe any client relationships that may inhibit or enhance the services your firm would provide to the Committee.
- g. Describe the circumstances, if any, under which your firm or its employees receives fees from investment managers.
- h. Indicate how your firm can assist in the orderly transition of custodial services, including pension payments.
- i. Indicate whether your firm sells or brokers investment vehicles. What percentage of the firm's revenues is derived from brokerage or investment banking?

3) INVESTMENT ANALYSIS APPROACH

- a. Outline the firm's process for:
 - The development of the client's overall investment policy, as well as the investment policy for specific asset classes; and
 - The development of client investment objectives.
- b. Describe the firm's asset/liability modeling capability.
- c. Define the firm's investment style analysis.
- d. Indicate whether your firm provides to its clients written narratives on the manager's performance, portfolio restructuring, guideline discrepancies, style deviations, etc.
- e. Describe how benchmarks are chosen or developed and how performance is compared to similar portfolios. Please indicate whether your firm can provide customized benchmarks.
- f. Describe how often you propose to meet with the Town in performing these services and how you would work with the Town's Pension Committee.

4) MANAGER SEARCH AND DUE DILIGENCE

- a. Indicate the number of money managers your firm currently evaluates.
- b. Describe the criteria by which your firm decides which managers to evaluate.
- c. Describe the selection of the database of managers for performance comparison, including whether the managers pay a fee to be in the database and the number of managers in the database.

- d. Describe how the due diligence of investment managers is performed. Please describe your firm's process for the evaluation and selection of investment managers for a client, including how the firm evaluates a manager's personnel, firm, investment philosophy, investment style and products, research and/or modeling capabilities, financial condition, assets under management, types of clients, client service and fees.

5) FEE STRUCTURE

- a. Describe the proposed fee structure for the services your firm will provide to the Committee.
- b. Describe all other fees or expenses, including, but not limited to, fees for administration, recordkeeping, reports, mailing expenses and any other fee not mentioned.
- c. Describe any other fees your firm might receive as a result of the services you provide to the Town that would be paid by a source other than the Town.

6) CLIENTS

- a. Provide a list of Connecticut municipalities and/or state agencies which your firm has served as an investment advisor or advisor within the last three years. Please include the name of the appropriate contact person and that person's phone number.
- b. Provide a current list of your five largest and five smallest clients, including the name of your contact and the contact's telephone number, the client's asset values, the number of years the client has retained your firm, and the product or service that the client uses.

7) REPORTS

- a. Provide copies of client reports, preferably reports generated for municipal clients that are representative of the reports customarily supplied to municipal clients, including monthly, quarterly and year-end reports.
- b. Provide a listing of reports routinely supplied to clients, or available to clients at their request. Please indicate the timing in which these reports are provided to clients (i.e. how long after the end of a quarter is a report mailed).

8) OTHER

- a. Please provide a sample contract and Form ADV.
- b. The Department of Labor and the Securities and Exchange Commission jointly developed a series of questions which can be utilized by plan fiduciaries to gauge the objectivity of a pension consultant. Please respond to these questions, listed below:
 - (i) Are you registered with the SEC or a state securities regulator as an investment adviser? If so, have you provided me with all the disclosures required under those laws (including Part II of Form ADV)?
 - (ii) Do you or a related company have relationships with money managers that you recommend, consider for recommendation, or otherwise mention to the plan for our consideration? If so, describe those relationships.
 - (iii) Do you or a related company receive any payments from money managers you recommend, consider for recommendation, or otherwise mention to the plan for our consideration? If so, what is the extent of these payments in relation to your other income (revenue)?
 - (iv) Do you have any policies or procedures to address conflicts of interest or to prevent these payments or relationships from being considered when you provide advice to your clients?
 - (v) If you allow plans to pay your consulting fees using the plan's brokerage commissions, do you monitor the amount of commissions paid and alert plans when consulting fees have been paid in full? If not, how can a plan make sure it does not over-pay its consulting fees?
 - (vi) If you allow plans to pay your consulting fees using the plan's brokerage commissions, what steps do you take to ensure that the plan receives best execution for its securities trades?
 - (vii) Do you have any arrangements with broker-dealers under which you or a related company will benefit if money managers place trades for their clients with such broker-dealers?
 - (viii) If you are hired, will you acknowledge in writing that you have a fiduciary obligation as an investment adviser to the plan while providing the consulting services we are seeking?
 - (ix) Do you consider yourself a fiduciary under ERISA with respect to the recommendations you provide the plan?
 - (x) What percentage of your plan clients utilizes money managers, investment funds, brokerage services or other service providers from whom you receive fees?

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DECLARATION
(To be submitted with proposal)

The Proposer, in compliance with this Request for Proposal, has examined the requirements and related documents and therefore proposes to provide this service in accordance with this RFP and any contract documents within the time frames set forth herein and at prices (fees) agreed to.

Proposal of: _____
(FIRM NAME)

Located at: _____
(ADDRESS)

(CITY, STATE, ZIP)

(PHONE)

Name: _____
(AUTHORIZED REPRESENTATIVE)

Title: _____

Date: _____

Signature: _____

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REFERENCES
(To be submitted with proposal)

Please include references for similar consulting services provided for at least three (3) clients in the past five (3) years (attach any other client references if desired). **PLEASE NOTE IT IS THE TOWN'S INTENT TO COMMUNICATE WITH THE REFERENCES LISTED HEREIN.**

CLIENT 1:
Organization Name: _____

Contact Name: _____

Phone: _____

Service Dates: _____

Description: _____

CLIENT 2:
Organization Name: _____

Contact Name: _____

Phone: _____

Service Dates: _____

Description: _____

CLIENT 3:
Organization Name: _____

Contact Name: _____

Phone: _____

Service Dates: _____

Description: _____

