

**TOWN OF TRUMBULL
REQUEST FOR QUALIFICATIONS & PROPOSAL (RFQ/P)
PENSION ADMINISTRATION SERVICES – POLICE PENSION PLAN**

RFQ/P 6057

DUE: APRIL 22, 2014 AT 12:00 NOON

EXECUTIVE SUMMARY

The Trumbull Police Pension Fund Board of Trustees (The "Board") is headquartered in Trumbull, CT and is accepting proposals for pension administration services from a select group of service providers (herein after referred to as Firm or Respondent) of its Pension Program (the "Plan")

The minimum requirements and scope of services are set out in this request for qualifications / proposals (RFQ/P). All proposals should be marked "Proposal-Investment Consulting Services" and five (5) paper copies mailed or delivered to:

Attn: Robert J. Chimini, Purchasing Agent
Town of Trumbull
5866 Main Street, Trumbull, CT 06611

AND

Attn: Trumbull Police Pension Fund Board of Trustees
Trumbull Police Department
158 Edison Road, Trumbull, CT 06611

Proposals must be received no later than 12:00PM on APRIL 22, 2014, 2014. Proposals received after the closing date will not be considered unless the specified date and time are extended by The Board.

MINIMUM REQUIREMENTS

To be selected for this investment consulting mandate, the firm must meet the following minimum requirements:

- The firm must be properly registered.
- The firm must agree to be an "fiduciary" as that term is commonly understood in relation to ERISA.
- The firm must have provided at least five years of pension administration services.
- The firm must agree to enter into services agreement that may be terminated for any reason by either of the parties with at least 30 days' written notice.

DESCRIPTION OF THE PLAN

The Fund maintains a pension fund

DEMOGRAPHICS OF THE FUND as of July 1, 2013

- Assets (Market Value) \$39,385,558
- Assets (Actuarial Value) \$35,989,018 Funded Ratio--64.7%
- Actuarial Accrued Liability \$55,581,894
- Retired Participants – Beneficiaries-- 44
- Active Participants 72
- Monthly Payments (est.) \$174,000

Town of Trumbull currently contributes approximately \$1,600,000 each year in addition to each participant contributing 6% of their base salary annually. We anticipate that this will continue for the foreseeable future.

CURRENT ASSET ALLOCATION STRATEGY

The nominal rate of return objective for the Plan is in excess of the benchmarks used. The current asset allocation for the plan is as follows:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equities	45%
International Equities	15%
Fixed Income	40%
Cash	0% (Exception: maintain beneficiary disbursements)

PROPOSAL REQUIREMENTS

1. Your firm must submit a proposal cover letter signed by a person authorized to legally bind the company. The letter must include a brief description of the proposal and a statement that the proposal will remain valid until The Board selects a company to provide the services in this RFQ/P or terminates its search for a vendor.

2. Your firm must include a cost proposal as referenced in the Cost Proposal section of this RFQ/P.
3. Your firm must identify and provide relevant qualifications of any subcontractors you will utilize in conjunction with The Plan.
4. Your firm must include a complete disclosure statement indicating if any member of your firm would have a conflict of interest, or the appearance of a conflict of interest, if your firm were selected. Describe the nature of any relationship or situation that might cause speculation as to the objectivity of the services to be performed.
5. Your firm should provide additional information that would help The Board in evaluating your firm and its qualifications. Please focus on information that would distinguish your firm as being uniquely qualified for this project.
6. Your firm must submit the original, plus five (5) paper copies of its proposal to the address provided herein, as well as a "soft copy" to: ymunoz@trumbull-ct.gov.

PROPOSAL CONTENT

Your firm's proposal must address and contain the following information in the order presented and in the outline format as provided:

I. Organization and Background

1. Please comment on the financial strength of your company.
2. Identify and list all internal and external audit reports and management reports performed in the last three years specifically related to your custody group. Please provide the most recent Internal Control opinions issued by your independent auditor and a copy of your most recent SAS 70 report.
3. Briefly describe the organization structure of the organization and the custody division. Describe any organizational changes that have occurred and/or have been announced in the last three years relating to mergers, acquisitions, key personnel departures, and structural/alignment changes. Describe the resulting effect on the firm's custody group.
4. List all insurance coverage relevant to the custody of assets for your institutional clients. Please indicate type and amount.

II. Custody Overview

1. Please provide the total assets under custody.
2. Please provide the following information regarding your **government** clients:
 - a. Mean custody account size
 - b. Median custody account size
 - c. Mean custody account size for defined benefit clients
 - d. Median custody account size for defined benefit clients
3. Please complete the tables below and describe reasons for lost clients:

	2013 YTD		2012		2011	
	Number	Assets	Number	Assets	Number	Assets
DB Plan Clients Gained						
DB Plan Clients Lost						

4. Please complete the table below for your clients:
As of September 30,

Custody Client Type	Number of Custody Clients						Assets
	< \$100 m	\$100 - \$500 m	\$500 m - \$1 b	\$1 b - \$10 b	> \$10 b	Total	Total
Public DB							
Corporate DB							
Cash Balance Plans							
501(c)3 Healthcare							
Endowment/Foundation							
Insurance							
Defined Contribution							
Taft-Hartley							
Mutual Fund							
Other							
Total							

III. Client Service

1. Describe your organization's approach to staffing this relationship. Please provide professional biographies for each employee who will be on the client team, including role on the client team, location, industry experience, organization tenure, how many other relationships they currently support, and other roles within the organization.
2. Describe your backup plans to support the client if a member of the client service team is out of the office or unavailable.
3. Describe how you propose to provide uninterrupted support to the client in the event of a member of the client service team leaving the firm.
4. Describe in detail your issue resolution and escalation procedures. Include timing, personnel involved, client expectations, etc.

IV. Account Administration

1. Describe in detail your transition process, including personnel, timing, client involvement, etc. Are there fees/costs associated with the transition?
2. Describe in detail how the master trust account is set up. Are there different ways of setting up the master trust? Describe benefits and drawbacks of each.
3. Describe how you interact with your clients' investment managers and comingled/mutual fund custodians? Explain your procedures for notifying managers and custodians of trades and cash balances.

V. Systems/Technology

1. Describe your custody system. Is it proprietary? Is it used solely for custody or is it shared with other business units? For how long have you been using it?
2. How much downtime has your custody system experienced in the past 3 years?
3. Please list the other systems with which the custody system is integrated, such as accounting, reporting, performance, online, compliance, etc.

4. What is the organization's technology budget and how much of it is used for custody-related enhancements? How much has the organization spent in the past three years on technology enhancements and upgrades?
5. Describe any anticipated enhancements and upgrades in the next three years.
6. Describe the support team for the custody system. Is the team internal or third-party? How many members?
7. Describe your security protocols to prevent unauthorized access.
8. Describe your backup and disaster recovery procedures.

VI. Accounting

1. Provide a complete description of your accounting system.
2. What basis do you use (trade vs. settlement, accrual vs. cash)?
3. What is the lag time between trade execution, availability of online transaction data and the posting of the transaction to your accounting system?
4. What is the source of your pricing data? How frequently are prices updated? Describe any manual pricing procedures and when they would occur.
5. How do you provide fair market value schedules delineating price transparency (e.g. Level I, II or III assets)?
6. How do you handle value discrepancies with the investment managers?
7. Do asset valuations include accrued income and pending transactions?
8. How do you report interest and dividend income?
9. How do you calculate the amortization on bonds?
10. Do you have the capacity to report brokerage commissions by account and by transaction?
11. How do you report gains and losses? Do you track short-term vs. long-term, cumulative and year-to-date?
12. Describe your process for ensuring all trades and other transactions are received and recorded from the managers. How do clients or investment managers communicate trade instructions to you for settlement? What are your wire cut off and other instruction deadlines?
13. How and when do you record corporate actions and notify clients?
14. Describe the process for adding managers not already on your existing platform? Are there any restrictions with regards to acceptable managers?

VII. Reporting

1. Describe your custody reporting packages.
2. How long after month, quarter and year-end can reports (both audited and unaudited) be expected on-line and in hard copy? How long can reports be accessed, either on-line or in hard copy?
3. What steps are taken to ensure the accuracy of your reports? What reconciliations are performed? Who performs the reconciliations?
4. Describe your online/internet system for clients.
5. What information is available (i.e. pending trades, asset valuation, performance, index information, etc.)?
6. How current is online information and how many hours per day is it available?
7. Describe the security for your online system and how it adheres to current standards. What type of insurance and/or bonding do you have for your on-line system?
8. Describe in detail your performance measurement capabilities.

VIII. Securities Processing

1. What means of communication do you use to communicate with your clients, investment managers and sub-custodians for instructing trades?
2. What procedures and control points do you use to monitor and follow up on failed trades? What percentage of fails did you experience in each of the last three years for sales and for purchases?
3. Do you offer proxy voting? How are proxies delivered to clients and investment managers for their voting instructions?
4. Describe the process and procedures used for manager hires and terminations, including transitioning terminated managers, liquidation programs and cross trading.
5. What sources do you use for securities pricing?
6. How do you price securities that are not available through your pricing sources?

IX. Portfolio Cash Management

1. Please list and describe which money market funds are available for your clients' short-term cash needs. Do you offer both proprietary and non-proprietary funds?
2. Do you sweep cash from investment manager portfolios automatically? If so, how often and to what balance?
3. Do you have overdraft protection options? Are clients charged for overdrafts?

4. Please provide notification time frames for processing and delivery instructions for DTC eligible securities, physical deliveries, and cash wires. Can cash wires and other electronic payments be initiated on-line?

X. Risk & Compliance

1. Do you have a system to monitor investment managers' adherence to investment guidelines? Is this system available online? Please describe this system in detail.
2. Do you have other systems to help clients monitor their investment managers, trading, policy guidelines, etc? If so, please describe.
3. How do you notify clients of flags or violations?
4. Are there any associated costs for client use these systems? What are they?

XI. Fees

1. Please submit a fee proposal for your organization's trust/custody services based upon the plan characteristics included in the introduction of this RFP. Include a detailed itemized listing of all fees. (e.g. per trade charge for purchases/sales of mutual funds; purchases/sales for ETFs; purchases/sales for closed-end funds, tracking illiquid investments, etc.)
2. How long would the proposed fee schedule be guaranteed, provided there were no revisions in the services required?
3. Do you regularly review custody fee agreements? If so, how often? If not, would you be willing to conduct regular reviews?

XII. OTHER

ORGANIZATION (THE TERM "ORGANIZATION" INCLUDES SUBSIDIARIES, AFFILIATES, AND PREDECESSORS IN INTEREST.)

A. History and Structure

1. Name, address, and telephone number, and all prior names by which your organization has been known and the dates thereof. In addition, include the name, title, telephone number, email address, and fax number (plus the address if different from above) of the person authorized to negotiate on behalf of and contractually bind your organization.
2. When was your organization founded?
3. Explain your organization's present ownership structure, including affiliates and subsidiaries.
4. Explain changes in the ownership structure of your organization since its inception and any expected changes in the next one to two years.
5. Please provide a copy of your organization's Form ADV – Parts I and II.
6. Please list the primary location that will service The Board.

B. Philosophy

1. Describe your administrative philosophy in detail. Include a description of your approach and philosophy to providing administrative service and advice.

C. Potential Conflicts of Interest

1. Identify and explain all other services provided. Also state what percentage of last fiscal year's revenues was attributable to such custodial or investment management services.
2. Does any part of your organization provide brokerage services, soft-dollar services (including revenue sharing), and directed brokerage, discount brokerage or commission recapture programs (collectively, "brokerage related services")? If so:
 - What percentage of your organization's last fiscal year's revenues was received in soft dollars?
 - What percentage of your organization's last fiscal year's revenues was attributable to or compensation for brokerage-related services?
 - Identify all investment managers who traded through or are involved with your organization's brokerage-related services.
3. Does your organization offer or sell any services or products to investment managers? If so, identify these in detail and name every manager who purchased any such services or products (with hard or soft dollars) over the last two fiscal years.
4. Please confirm that your organization will not accept any commissions or other remuneration from any service providers in exchange for placing or renewing The Board's business with that organization.
5. Does your organization solicit or accept any form of compensation (direct or indirect) for placing or helping to place investment managers, custodial banks, or other service providers? If so, describe the circumstances.
6. Does your organization solicit or accept any form of compensation (direct or indirect) to include any

investment managers, custodial banks, or other service providers in your database or in any search? If so, please explain.

7. Does your organization solicit or accept any form of compensation (direct or indirect) from investment managers, custodial banks, or other service providers that are under contract with the clients for whom you perform investment consulting services? If so, please explain.
8. Does your organization have any clients or associations that could present a conflict of interest and possibly compromise the objectivity of its advice to The Board? If so, please explain.
9. Does your organization receive any products or services from any investment managers? If so, identify each such service and whether compensation is paid and, if paid, the amount of compensation paid.
10. Does your organization solicit or accept any payment from investment managers or custodial banks for participation in client conferences or other events that your organization sponsors for its clients? If so, identify each such conference or other event in the last two fiscal years, the entity from which payment was solicited or received, and the amount of such payment.

D. Legal Fiduciary Status, Investment Advisory Status and Litigation

1. Will your organization agree expressly in writing to accept "investment fiduciary" responsibility consistent with the term as it is commonly understood under ERISA with respect to its investment?
2. Has your organization or a principal or employee or agent of your organization ever been investigated or charged by the SEC, the U.S. Departments of Justice or Labor, the Internal Revenue Service, or any other federal, state or local regulatory agency for any purported or actual violation of applicable law? If yes, please explain.
3. Over the last five years, has your organization or any principal or employee or agent been named or threatened to be named as a party in any private or governmental litigation, arbitration or other dispute resolution proceedings; been a target in any government or professional investigation; or settled any actual or threatened claim? If so, please provide details including a copy of all relevant complaints and communications, a list of all parties, and the results or status of such proceedings(s), investigation(s) or settlement(s).

F. Insurance

1. Describe the level of coverage for SEC-required (17g-1) fidelity bonds, errors and omissions insurance, and any fiduciary or professional liability insurance your firm carries. List insurance carriers supplying the coverage and their AM Best Rating.
2. Is your organization currently aware of any claims that have been or are being made with respect to such bonds or policies? If so, please describe.
3. Is your organization currently aware of any notices to the insurer with respect to such policies? If so, please describe.

STAFFING AND FACILITIES

1. Provide a detailed listing of your firm's professional staff by category including consultants and analysts.
2. How is your organization organized to service your accounts?
3. Please list the name and location of the primary individual(s) who would be responsible for the Board's account and provide detailed biographies of such persons, including their tenure with your organization, and expertise. With respect to the person(s) named, please also list the number of clients that are assigned to each, and other relevant information. Please describe the relationship among these individuals and indicate the percentage of work expected to be performed by each.
4. Provide an organizational chart for the individual(s) who would be assigned to the Board's account.
5. Describe your process for recruiting, hiring, and retaining key professionals.
6. How do you compensate your professional staff?
7. Describe the turnover rate for professionals engaged in administration over the past three years. Briefly explain their reasons for leaving and describe the measures your organization takes to assure continuity of service.
8. Provide a full disclosure of whether any of your organization's professional staff has ever been suspended or disbarred from performing investment advisory services or other professional services, has been subject to any disciplinary actions, or has committed any criminal offenses evidencing fraud, dishonesty or breach of trust.
9. Describe the size, organization, location(s) and capabilities of your organization's computer/data processing staff. If any of the staff you have described are employed through outside consultants, please give the proportion of the staff that are employed in-house and the proportion that are employed through outside consultants.

CLIENTS

1. How many pension plans does the firm administer?
2. Provide a representative list of your organization's corporate sector clients.
3. List retirement plan clients that have terminated your organization's services during the past three years, and indicate

their stated reasons for terminating your organization's services.

4. State the total number of new clients that your organization has gained in the last three years.
5. For references purposes, provide the name, address, telephone number and contact person for three (3) current pension investment advisory clients serviced by the primary individuals who would be responsible for the Board's account.

EVALUATION / SELECTION PROCESS; GENERAL INFORMATION

The Board will evaluate proposals, conduct interviews, and make an award decision. The timing of the interviews will be established on a mutually agreed date and time so that the individual(s) with primary responsibility for providing the services contained in this RFQ/P may attend any interviews on behalf of the firm.

QUESTIONS ABOUT THIS RFP OR THE PROJECT & PROPOSAL SUBMISSIONS

Questions about this RFQ/P or the project should be submitted, in writing, no later than 12:00PM Noon on April 17, 2014 to Maria Pires, Finance Director, 203.452.5013 mpires@trumbull-ct.gov

COST PROPOSALS

We are requesting that firms submit their cost proposals (assume a 3 year contract) on the following basis:

- A fee based on Plan assets (or another basis), which will include the Scope of Services section outlined in this RFQ/P. Please describe fully any offsets, additions or other elements of this fee proposal, such as revenue sharing or other soft dollar arrangements, etc.

If there should be a material change in the Scope of Services, or if this RFQ/P results in the opportunity for an expanded ongoing consulting relationship, additional pricing would be mutually negotiated.

MISCELLANEOUS

1. ASSIGNMENT OF RIGHTS, TITLES, AND INTERESTS

Any assignment or subcontracting by a proposer, bidder, supplier, or contractor for work to be performed, or goods and/or services to be provided, in whole or in part, and any other interest in conjunction with a Town procurement shall not be permitted without the express written consent of the Town of Trumbull.

2. TAXES

All purchases made by the Town, and associated with the award of this requirement shall be tax exempt. Any taxes must not be included in bid prices. A Town Tax Exemption Certificate shall be furnished upon request.

3. AWARD AND AUTHORITY

The purchasing authority of the Town shall issue notification of award in writing.

4. HOLD HARMLESS CLAUSE

Any contractor or subcontractor of the Town agrees to indemnify, hold harmless and defend the Town from and against any and all liability for loss, damage or expense which the Town may suffer or for which the Town may be held liable by reason of injury, including death, to any person or damage to any property arising out of or in any manner connected with the operations to be performed under this request and subsequent Contract, whether or not due in whole or in part of any act, omission or negligence of the Town or any of its representatives or employees.

5. WORK REGULATIONS AND STANDARDS

All work activities performed in association with this request must be performed and completed for the Town in accordance with current Federal State and Local regulations. All services performed shall also conform to the latest OSHA standards and/or regulations.

6. ADDENDUMS

It is the responsibility of all proposal submitters to verify with the Town if any addendums or changes to this have been. All and any addendums will be posted on the Town of Trumbull – Purchasing department website. www.trumbull-ct.gov.

7. CONFLICT OF INTEREST

No purchase shall be made from nor shall services (other than services as an officer, 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.

8. ORAL PRESENTATIONS

During the evaluation process, the Board may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the Committee may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

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APPENDIX A

RESPONDENT GUARANTEES AND WARRANTIES

Respondent Guarantees:

The Respondent certifies it can and will provide and make available, at a minimum, all services set forth in this request.

Respondent Warranties

Respondent warrants that it is willing and able to comply with State of Connecticut laws with respect to foreign (non-state of Connecticut) corporations.

Respondent warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.

Respondent warrants that it will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of the Town of Trumbull.

Respondent warrants that all information provided by it in connection with this proposal is true and accurate.

Company Name

By (Signature)

Address

Print Name

Company Name

Title

Date

Telephone/Fax