

TOWN OF GLASTONBURY
PROFESSIONAL SERVICES PROCUREMENT NOTICE
Custodial Banking Services for the Town's Retirement and Other
Post Employment Benefits
RPGL-2011-14

The Town of Glastonbury will be accepting proposals from qualified firms who can provide full-retainer investment advisory services to the Town for its Retirement and Other Post Employment Benefit fund investments. Interested individuals and firms can download the proposal instructions and details from the Town's website at www.glastonbury-ct.gov or request them from the Purchasing Agent, 2155 Main Street, Glastonbury, CT 06033.

Proposals must be submitted to the Purchasing Agent no later than **January 13, 2011 at 11:00 AM. LATE PROPOSALS WILL NOT BE CONSIDERED.** The Town reserves the right to waive informalities or reject any part of, or the entire proposal, when said action is deemed to be in the best interest of the Town.

Mary F. Visone
Purchasing Agent

Legal Ad:

Town of Glastonbury, CT

**Request for Qualifications
Custodial Banking Services for the Town's Retirement and Other
Post Employment Benefits
RPGL-2011-14**

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Town of Glastonbury, CT
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I. GENERAL INFORMATION

A. INTRODUCTION

The Town of Glastonbury is soliciting a Request for Qualifications (RFQ) from qualified banks or firms that can provide custodial services for its pension and post retirement benefit trust funds. The selected firm will demonstrate extensive experience and superior capability for providing custodial services for similar sized municipal pension plans

B. BACKGROUND INFORMATION

The Town of Glastonbury currently administers and maintains a defined benefit pension plan to provide benefits to substantially all full-time employees, except certified personnel of the Board of Education who are covered under the State Teachers' Retirement System. Both the employer and the employee are obligated to contribute to the plan. Currently, Prudential Retirement provides administrative and custodial services for the plan. As of September 30, 2010 the market value of the Town's pension fund was approximately \$83 million. Prudential Retirement currently manages the plans investments, invested approximately 55% Equities, 4% Real Estate and 41% Fixed Income. The Town's actuarial recommended contribution (ARC) for fiscal year 2010-11 is \$4,782,742 calculated as of 1/1/10.

Membership of these three groups consists of 464 active members and 234 retired members, 86 terminated employees entitled to benefits not yet receiving them and 7 inactive members. The Town also maintains a separate Other Post Employment Benefits (OPEB) Trust Fund for post retirement medical benefits. There is approximately \$380,000 set aside for these purposes and it is anticipated that there will be future employer contributions to this fund.

C. MINIMUM REQUIREMENTS

Firms must meet all of the following minimum requirements to be given consideration.

- Experience and competency in providing custodial services to a minimum of three (3) municipalities of Towns similar in size to Glastonbury for a minimum of the last five years.
- The primary Contact assigned to the Town of Glastonbury account must have a minimum of five (5) years experience delivering custodial services to public and/or private pension plans, the last three years of which must have been with present firm or team.

- As of December 31, 2009, the firm or team must have been in business at least five (5) years.
- As of December 31, 2009, the firm must have at least two (2) public pension fund clients, one of which must have assets in excess of one hundred (100) million U.S. dollars.
- The firm must carry Errors and Omissions coverage for the amounts specified in this RFQ or must have applied for it by the submission date of the RFQ.

D. EVALUATION CRITERIA

The following factors will be considered by the Town when evaluating proposals.

- Accuracy, overall quality, thoroughness and responsiveness to the Town's requirements as summarized herein;
- Firm's approach to project including firm's perception of the project requirements, and understanding of the customer's needs and objectives.
- The qualifications and municipal public sector experience of the firm and the designated account executive and other key personnel to be assigned to the account.
- Demonstrated long term consistent successful performance on other municipal and institutional accounts including flexibility, efficiency and timeliness in providing day to day service to municipal clients, implementation of initiatives, and cost saving measures as applicable.
- Familiarity and experience with the providing custodial services for municipal and public pension plans.
- Project Work Plan and Suggested Timeline.

Following review and evaluation of proposals, the Town reserves the right to request certain additional information. Based on review and rating of proposals, a short list of respondents will be invited to interview with the Town Selection Committee. Respondents are advised that these interviews will be scheduled during the week of January 24, 2011.

The Town Selection Committee is expected to consist of five members and include the Town Manager, Director of Finance, Human Resources Director, the Business Manager for the Glastonbury Board of Education and a representative from the Town's pension consulting firm.

Based on the results of the interview process, the Town Manager will review the Scope of Services, proposed fee structure, and other factors with the top rated firm(s) and negotiate a specific agreement and final fee based on these discussions.

E. TERM OF SERVICE

- The selected firm or individual will be expected to commence services on or about March 1, 2011 subject to contract execution.

II. SCOPE OF SERVICES

A. SPECIFIC SERVICES

Administrative Services

- 1) Execute trades of Plan assets at the direction of the Town either directly or through the designated investment manager
- 2) Serve as directed trustee of the Plan
- 3) Responsible for registration and custody of securities belonging to the Plan
- 4) Responsible for all distributions for the Town of Glastonbury Retirement Income Plan unless the Town, at its sole option, chooses not to select these services.
- 5) All pension distributions and benefit payments shall be in accordance with:
 - a) Federal and State law
 - b) The agreements between the Town of Glastonbury and employee labor unions
 - c) Town personnel rules
- 6) Responsible for completing State & Federal form preparation, inclusive of form 1099R in a timely manner.
- 7) Provide reports (electronically where possible) as follows:
 - a) Monthly reports of all asset transactions, including appropriate summary by asset category.
 - b) Monthly payment report
 - c) Fiscal year report of all transactions, including appropriate summary by asset category

B. INSURANCE

The Consultant shall, at its own expense and cost, obtain and keep in force during the entire duration of the Project or Work the following insurance coverage covering the Consultant and all of its agents, employees, sub-contractors and other providers of services and shall name the Town, its employees and agents as an Additional Insured on a primary and non-contributory basis to the Consultant's Commercial General Liability and Automobile Liability policies. **These requirements shall be clearly stated in the remarks section on the Consultant's Certificate of Insurance.** Insurance shall be written with insurance carriers approved in the State of Connecticut and with a minimum Best's Rating of A-. In addition, all carriers are subject to approval by the Town. Minimum limits and requirements are stated below:

1) Worker's Compensation Insurance:

- Statutory Coverage
- Employer's Liability
- \$100,000 each accident/\$500,000 disease-policy limit/\$100,000 disease each employee

2) Commercial General Liability:

- Including Premises & Operations, Products and Completed Operations, Personal and

Advertising Injury, Contractual Liability and Independent Contractors.

- Limits of Liability for Bodily Injury and Building Damage
Each Occurrence \$1,000,000
Aggregate \$2,000,000 (The Aggregate Limit shall apply separately to each job.)
- A Waiver of Subrogation shall be provided

3) Automobile Insurance:

- Including all owned, hired, borrowed and non-owned vehicles
- Limit of Liability for Bodily Injury and Building Damage:
Per Accident \$1,000,000

4) Errors and Omissions Liability or Professional Services Liability Policy

- Provide Errors and Omissions Liability or Professional Services Liability Policy for a minimum Limit of Liability \$1,000,000 each occurrence or per claim. The Town, its employees and agents shall be named Additional Insured for this specific Project. The certificate shall specify that the Town and Board of Education shall receive 30 days advance written notice of cancellation or non-renewal specific to this Project.
- The Consultant agrees to maintain continuous professional liability coverage for the entire duration of this Project, and shall provide for an Extended Reporting Period in which to report claims for seven (7) years following the conclusion of the Project.

The Consultant shall provide a Certificate of Insurance as "evidence" of General Liability, Auto Liability including all owned, hired, borrowed and non-owned vehicles, statutory Worker's Compensation and Employer's Liability and Professional Services Liability coverage.

The Consultant shall direct its Insurer to provide a Certificate of Insurance to the Town before any work is performed. The Certificate shall specify that the Town shall receive 30 days advance written notice of cancellation or non-renewal. The Certificate shall evidence all required coverage including the Additional Insured and Waiver of Subrogation. The Consultant shall provide the Town copies of any such insurance policies upon request.

Indemnification

To the fullest extent permitted by law, the Consultant shall indemnify and hold harmless the Town and the Board of Education and their respective consultants, agents, and employees from and against all claims, damages, losses and expenses, direct, indirect or consequential (including but not limited to fees and charges of engineers, attorneys and other professionals and court and arbitration costs) to the extent arising out of or resulting from the performance of the Consultant's work, provided that such claim, damage, loss or expense is caused in whole or in part by any negligent act or omission by the Consultant, or breach of its obligations herein or by any person or organization

directly or indirectly employed or engaged by the Consultant to perform or furnish either of the services, or anyone for whose acts the Consultant may be liable.

As to any and all claims against the Town or any of its consultants, agents or employees by any employee of Consultant, by any person or organization directly or indirectly employed by Consultant to perform or furnish any of the work, or by anyone for whose acts Consultant may be liable, the indemnification obligation stated herein shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for Consultant under worker's or workman's compensation acts, disability benefit acts or other employee benefit acts.

The above insurance requirements are the Town's general requirements. Insurance requirements with the awarded respondent are subject to final negotiations.

III. SUBMISSION OF PROPOSAL

A. PROPOSAL INSTRUCTIONS

By submitting a proposal, you represent that you have thoroughly examined and become familiar with the scope of services outlined in this RFQ and you are capable of performing the work to achieve the Town's objectives.

All firms are required to submit:

- A **clearly marked** original and seven (7) copies of their technical proposal.
- A **clearly marked** original and two (2) copies of the preliminary fee proposal.

Proposals shall be submitted in separate sealed packages clearly marked "Technical Proposal" and "Preliminary Fee Proposal" to Mary F. Visone, Purchasing Agent, 2155 Main Street, Glastonbury, CT 06033 by 11:00 a.m., Thursday, January 13, 2011. All technical proposals will be opened publicly and recorded as received. Respondents may be present at the opening; however, there will be no public reading of Proposals. Proposals received later than the time and date specified will not be considered. The proposal must be submitted in a sealed envelope or package and the outside shall be clearly marked.

**SEALED REQUEST FOR QUALIFICATIONS
CUSTODIAL BANKING SERVICES FOR THE TOWN'S
RETIREMENT AND OTHER POST EMPLOYMENT BENEFITS
RPGL-2011-14
DATE – January 13, 2011
TIME - 11:00 A.M.**

All respondents are required to submit the information detailed below. **Responses shall be organized and presented in the order listed below to assist the Town in reviewing and rating proposals.** Responses should be presented **clearly and concisely** with appropriate detail to thoroughly respond to the requirements and expected services described herein.

- Firm Background

- a. Table of Contents to include clear identification of the material provided by section and number.
- b. A letter of transmittal indicating the firm's interest in providing the service and any other information that would assist the Town in making a selection. This letter must be signed by a person legally authorized to bind the firm to a contract. This letter also must affirm that the firm or their representative has made themselves knowledgeable of those matters and conditions in the Town which would influence this Proposal.
- c. Name and telephone number of person(s) to be contacted for further information or clarification.
- d. A background and qualifications statement, including description and history of your firm, the servicing office, number of professional employees, years in business and technical qualifications. Respondents shall specifically address all of the minimum requirements identified in Section C. Firms must meet all of these requirements to be given consideration.
- e. Provide a brief resume of the principal individual(s) who would be responsible for servicing the Town's accounts.
- f. Describe your strengths that differentiate your master trustee service from other service providers. Identify any areas targeted for improvement.
- g. Describe any merger and/or acquisitions you have been involved in over the past five years and if there are any anticipated mergers and/or acquisitions involving your company in the near future.
- h. Identify and describe any litigation or investigation by a regulatory authority that your organization or officers have been involved in over the last three years that relate to master trust/custody or security lending services.
- i. Describe your firm's fiduciary responsibility in providing custodial services.
- General Information
 - j. Include the following information:
 - 1. Total number of master trust/custody clients
 - 2. Total market value of all master trust/custody clients
 - 3. Average client size in terms of assets
 - 4. Percentage of bank/firm's revenues generated from master trust/custody services
 - k. Detail experience rendering custody series to public retirement systems, including such services to any Connecticut municipalities.
 - l. Provide the number of trustee/custody accounts gained and lost for each of the last three years through June 2010.

- Operations
 - m. Provide an organizational chart showing functions, positions and titles of all personnel in the office that would be responsible for providing services to the Town. Include the number of accounts these individuals currently handle and the size of these accounts.
 - n. Explain in detail any potential or actual conflict of interest (or appearance of a conflict of interest), which may arise if selected to advise the Town. Include any client relationships that may inhibit or enhance the services to be provided to the town.
 - o. Describe firm's system of quality control to ensure reporting accuracy.
 - p. Describe securities settlement and clearance procedures and systems.
 - q. Discuss audit processes in place including frequency and scope of review performed.
 - r. Describe Disaster Recovery procedures.

- Cash Management

- s. Describe the investment vehicles used for short term investments
- t. Indicate if interest and dividend income is reported on a cash or accrual basis

- Custodial Services and Retiree Pension Payment Processing

The Town's current provider handles all custody services including administration of the monthly pension payments to its retirees and the related tax reporting requirements thereon. The Town currently has approximately 240 pensioners and monthly disbursements of approximately \$400,000.

- u. Indicate how your firm will assist in the orderly transition of these custodial services, including the administration of retiree pension payments.
- v. Indicate if direct deposit and/or electronic funds transfer are available.
- w. Describe on line access capabilities for benefit payment services.
- x. Describe your procedures for processing monthly distributions.
- y. Describe the process for determining Federal and State withholding amounts on distributions.
- z. Describe the outstanding distribution checks reports and reconciliation frequency. Include the process for stale dated checks.
- aa. Describe the process to account for lost beneficiaries as well as deceased beneficiaries.

bb. Does the system have the capability to include messaging and inserts from the Town?

- Clients

cc. Include a list of not less than three current client references from who services similar to those outlined herein have been provided or are currently being provided whose pension funds are similar in size to the Town of Glastonbury. This list shall include the following information:

1. Name of the organization
2. Approximate value of pension assets under custody as of 12/31/2009
3. Dates services encompass
4. Services being provided
5. Name, address, and telephone number of the responsible official of the organization

The Town reserves the right to contact these organizations regarding the services performed by the firm.

dd. Provide a list of Connecticut municipalities and/or state agencies which your firm has served as custodian within the last three years. Please include the name of the appropriate contact person and that person's phone number.

ee. Provide the number of custody accounts gained and lost for each of the last three years.

- Reports

ff. 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.

gg. Provide a list of reports that are available online or can be distributed electronically.

- Transition

hh. Include a conversion plan and an outline of the process. Indicate if there is a dedicated "conversion team".

ii. Indicate the amount of lead-time necessary to proceed with the conversion.

jj. Indicate how long the proposed fee schedule would be guaranteed for, provided there were no revisions in the scope of services required.

- Other
 - kk. A concluding statement as to why the respondent is best qualified to meet the needs of the Town.
 - ll. A statement of those items in the Scope of Services your firm is unable or unwilling to provide.
 - mm. Proposal Response Page (ATTACHMENT A)
 - nn. Signed Non-Collusion Statement (ATTACHMENT B)
 - oo. Fee Structure
The attached proposal sheet (Attachment C) must be completed as indicated and submitted in a **separate** sealed envelope clearly marked “**Custodial Banking Services for the Town’s Retirement & Other Post Employment Benefits RPGL-2011-14**.” The **separate fee proposal** must include cost per unit item. Identify any areas where economies of scale may be achieved by aggregating various services and note any exceptions as necessary
 - pp. Respondent is required to review the Town of Glastonbury Code of Ethics adopted July 8, 2003 and effective August 1, 2003. Bidder shall acknowledge that they have reviewed the document in the area provided on the bid/proposal response page (BP). The selected Bidder will also be required to complete and sign an Acknowledgement Form prior to award. The Code of Ethics and the Advisor Acknowledgement Form can be accessed at the Town of Glastonbury website at www.glastonbury-ct.gov. Upon entering the website click on **Bids & RFPs**, which will bring you to the links for the **Code of Ethics** and the **Advisor Acknowledgement Form**. If the Bidder does not have access to the internet a copy of these documents can be obtained through the Purchasing Department at the address listed within this bid/proposal.
 - qq. The Town of Glastonbury is dedicated to waste reduction and the practice of using and promoting the use of recycled and environmentally preferable products. Respondents are encouraged to submit RFP responses that are printed double-sided (except for the signed proposal page) on recycled paper, and to use paper dividers to organize the RFP for review. All proposal pages should be secured with a binder clip, staple or elastic band, and shall not be submitted in plastic binders or covers, nor shall the proposal contain any plastic inserts or pages. We appreciate your efforts towards a greener environment.

B. TOWN CONTACTS

1. All technical inquires relative to this RFQ must be directed in writing to Ms. Diane M. Waldron, Director of Finance and Administrative Services at diane.waldron@glastonbury-ct.gov or 2155 Main Street, Glastonbury, CT 06033. For administrative questions concerning this proposal, please contact Mary F. Visone, Purchasing Agent at (860) 652-7588. All questions, answers, and/or addenda, as applicable, will be posted on the Town’s website at

www.glastonbury-ct.gov (Upon entering the website click on Bids & RFPs). It is the respondent's responsibility to check the website for addenda prior to submission of any proposal.

2. No other Glastonbury Town employee, elected official, or evaluation committee member should be contacted concerning this RFQ during the proposal process. Failure to comply with this requirement may result in disqualification.

C. EVALUATION & SELECTION PROCESS

This request for qualifications does not commit the Town of Glastonbury to award a contract or to pay any costs incurred in the preparation of a proposal to this request. All proposals submitted in response to this request for qualifications become the property of the Town of Glastonbury. The Town of Glastonbury reserves the right to accept or reject any or all proposals received as a result of this request, to negotiate with the selected respondents, the right to extend the contract for an additional period, or to cancel in part or in its entirety the request for qualifications, and to waive any informality if it is in the best interests of the Town to do so.

Proposals and qualifications statements will be reviewed to determine a short list of individuals or firms to be invited for interview. Based on results of the interview process, selected firms will be asked to submit a detailed fee proposal based on a specific scope of services.

D. TIMELINE

The following schedule is anticipated. The Town intends to adhere to this schedule as closely as possible but reserves the right to modify the schedule in the best interest of the Town as required.

Publicize RFQ	December 15, 2010
RFQ Due Date	January 13, 2011
Shortlist of Proposals Received	January 18, 2011
Interviews with short listed respondents	On or about week of January 31, 2011
Fee Proposal and Scope of Services	February 2011
Contract Effective Date	On or about March 1, 2011

ATTACHMENT A

TOWN OF GLASTONBURY

PROPOSAL

RPGL # 2011-14

DATE ADVERTISED

December 15, 2010

DATE/ TIME DUE

January 13, 2011
@ 11:00 a.m.

DESCRIPTION

**Custodial Banking Services for the Town's
Retirement and Other Post Employment
Benefits**

Insert this completed form in respondent's proposal

CODE OF ETHICS:

I / We have reviewed a copy of the Town of Glastonbury's Code of Ethics and agree to submit an Acknowledgement Form if I /We are selected. Yes _____ No _____ *

*Agent is advised that effective August 1, 2003, the Town of Glastonbury cannot consider any bid or proposal where the Agent has not agreed to the above statement.

The Respondent acknowledges receipt of the following Addendums:

Addendum #1 _____ Date: _____
Addendum #2 _____ Date: _____
Addendum #3 _____ Date: _____

Type or Print Name of Individual

Doing Business as (Trade Name)

Signature of Individual

Street Address

Title

City, State, Zip Code

Date

Telephone Number / Fax Number

E-mail Address

SS # or TIN#

ATTACHMENT B

**TOWN OF GLASTONBURY
PROFESSIONAL SERVICES PROCUREMENT NOTICE
Custodial Banking Services for the Town's Retirement and Other
Post Employment Benefits
RPGL- 2011-14
NON-COLLUSION STATEMENT**

The company submitting this proposal certifies that it is being submitted without any collusion, communication or agreement as to any matter relating to it with any other respondent or competitor. We understand that this proposal must be signed by an authorized agent of our company to constitute a valid proposal.

Date: _____

Name of Company: _____

Name and Title of Agent: _____

By (SIGNATURE): _____

Address: _____

Telephone Number: _____

ATTACHMENT C

RPGL 2011-14

Custodial Banking Services for the Town's Retirement and Other Post Employment Benefits

FEE SCHEDULE

Name of Bank _____

Trustee/Custody Per Annum Fees

	Asset Level	Basis Points
Base Portfolio Fee	\$ 0 -	_____
	\$ \$	_____
	\$ \$	_____
	\$ \$	_____
	\$ and above	_____

Any Other Directed Trustee Fees _____

Transactions

Per Transaction

DTC Settlements	_____
Buys, Sells, Receipts, Deliveries	_____
Fed/Repo Settlements	_____
Mutual Fund Settlements	_____
Futures/Options	_____
Outgoing Wires	_____

Benefit Payments

Periodic Distributions	_____
EFT/ACH Maintenance	_____
Deduction Maintenance	_____
Payee Maintenance	_____
Payee Setup	_____
Lump Sum Payment	_____
Form 1099 Reports	_____
Stop Payments	_____
Manual Pension Updates	_____
Direct Deposit Fees	_____

Accounting & Reporting

Per Account

Annual Fee _____

Submitted By _____

Title _____