

TOWN OF EAST WINDSOR PROFESSIONAL SERVICES STATEMENT OF QUALIFICATION NOTICE

Investment Advisor for the Town Retirement and Other Post Employment Benefit Plan

The Town of East Windsor will be accepting statement of qualifications 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 instructions and details from the Town's website:

http://www.eastwindsorct.gov/Public_Documents/EWindsorCT_Webdocs/BidNoticesFolder/bidnotices

or request them from the Town Treasurer Catherine Cabral at Town Hall 11 Rye Street, Broadbrook 06016

Statements of qualifications must be submitted to the Town Treasurer no later than Friday, July 22, 2011 **at 12:00 PM ET (noon). 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.

Dated: June 28, 2011

Catherine Cabral

Treasurer

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I. GENERAL INFORMATION

A. INTRODUCTION

The Town of East Windsor (“Town”) is soliciting a Request for Qualifications (RFQ) from qualified individuals and firms who can provide full-retainer investment advisory services to the Town for its Retirement and Other Post Employment Benefit (OPEB) Fund investments. The selected firm will demonstrate extensive experience and superior capability for providing investment advisory services in similar sized municipal pension and OPEB plans including investment performance evaluation, evaluation of investment manager performance, review of investment guidelines with appropriate recommendations, asset allocation services, investment manager searches, custodial searches and other miscellaneous projects.

B. BACKGROUND INFORMATION

The Town of East Windsor 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. The employer and the employee are obligated to contribute to the plan. Currently, the Town's pension assets are administered by Mass Mutual; as of May 31, 2011 the market value of the Town's pension fund was approximately \$14.5 million. Membership, as of the date of the most current valuation (July 1, 2010) consists of **166** active members **34** retired members; and **37** terminated inactive members entitled to benefits but not yet receiving them. The Town maintains a separate Other Post Employment Benefits (OPEB) Trust Fund for post retirement medical benefits. There is currently approximately \$105,000 set aside for these purposes and it is anticipated that there will be future employer contributions to this fund.

A copy of the Town's current investment policy statement is included as Attachment G.

A copy of the May 31, 2011 investment report is included as Attachment H.

C. MINIMUM REQUIREMENTS

Those firms that meet the following minimum requirements shall be given greater consideration.

The firm must provide investment advisory services to clients with aggregate assets totaling at least \$250 Million.

The primary Advisor assigned to the Town of East Windsor account must have a minimum of seven (7) years experience providing domestic and international investment advisory services to public and or private pension plans, the last three years of which must have been with present firm or team. The primary advisor listed must be the person in attendance to

present updates on the pension fund to the Retirement Board.

The Firm must receive all income directly from clients as either direct bill or a percentage based upon plan assets.

As of December 31, 2010, the firm or team must have been in business at least three (3) years.

As of December 31, 2010, the firm must have at least five (5) public pension fund clients, one of which must have assets in excess of \$20 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 applicable. Familiarity and experience with the management of investments for municipal and public pension plans;

E. PROJECT WORK PLAN AND SUGGESTED TIMELINE

Following review and evaluation of proposals, the Town reserves the right to request certain additional information. The Town will utilize the following evaluation process in the selection of an Investment Advisor.

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 interviews of the top rated firms will be scheduled during the **week of August 15, 2011**.

Based on the results of the interview process, the First Selectman and Treasurer 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.

F. TERM OF SERVICE

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

II. SCOPE OF SERVICES

A. SPECIFIC SERVICES:

The Town of East Windsor is seeking a qualified firm to provide comprehensive full retainer, investment advisory services. The selected investment advisory firm will report to the Retirement Board and its' designee. The selected firm will functionally work closely with the First Selectman and the Town Treasurer. The selected firm will attend quarterly Retirement Board meetings, and report on the status of the Retirement Fund Investments. The selected firm will demonstrate extensive successful experience and superior capability for providing those investment advisory services that are critical to the success of a public pension system and an OPEB Trust.

In general, the selected firm will assist the Town in the on-going process of investment policy development and implementation. In all cases, the firm and its Advisors will offer advice to the Town that is solely in the interest of the plan participants and beneficiaries of the Town of East Windsor Retirement Plan.

Scope of Services required will include, but are not limited to, the following:

Phase I Review of Current Plan

Perform a review of the current pension plan investments, fund managers, performance, asset allocation and investment policy guidelines and make recommendations as needed which may include, but are not limited to:

Investment Manager Oversight, Search, and Selection;

Investment manager search and selection services and make recommendations as necessary;

Advice and recommendations on investment manager allocation and structure, manager mandates and performance benchmarks within a mutual fund environment;

Assist with negotiating appropriate investment management fees.

Investment Policy

Conduct a comprehensive review and analysis of investment policies, objectives, asset allocation and portfolio structure, and recommend changes, if appropriate.

Phase II Transition

Preparation of written transition plan including time line to be reviewed and approved by the Town;

Transition of fund assets, as applicable, to new investment managers/ mutual funds;

Coordinate and assist with the transition of funds with Town the custodian, investment advisors and any other third parties to ensure that the pension assets are transitioned in the most efficient and cost effective manner possible.

Phase III Ongoing Services

Investment Manager Oversight, Search, and Selection;

Provide on-going monitoring and oversight of investment managers to ensure compliance with laws and regulations, investment policies and manager mandates;

Monitor and evaluate manager trading and transaction costs;

Provide evidence of periodic discussions with managers on investment performance and organizational issues (such as changes in ownership, staff, new products, etc.);

Advise on manager retention/termination, as applicable and assist in developing a formal manager review process.

Investment Policy and Asset Liability Studies

Work with Town and the actuary (Milliman) to conduct an asset/liability study of the fund at least every five (5) years, including recommending methodologies, assumptions, and asset classes for consideration:

Develop policies, guidelines and procedures for rebalancing the asset mix;

Advise the Town of new developments in investment management techniques and portfolio management strategies;

Provide advice and recommendations on various other investment policy issues.

Performance Evaluation Reporting

Compare the investment performance of the total fund, asset classes and investment managers to relevant benchmarks and "peer group" samples;

Present performance reports on a quarterly basis to the Town and a monthly performance summary to the Treasurer;

Client Service and Education

Attend the quarterly meetings of the Retirement Board, as well as special meetings pertaining to pension / OPEB investments that may be necessary from time to time;

Coordinate effectively with the Town, the actuary and the Retirement Plan custodian;

Respond to inquiries between meetings in an appropriate and timely manner;

Report any significant changes in the firm's ownership, organizational structure and personnel in a timely manner;

Assist on special projects as needed from time to time;

Provide all other investment advisory-related services as requested;

Provide education to Retirement Board on investment issues.

Review, Selection and Search for Other Investment-Related Vendors, Investment Opportunities and/or Instruments

Assist with valuation, search and selection involving other vendors as required.

III. SUBMISSION OF PROPOSAL

A. PROPOSAL INSTRUCTIONS GENERAL

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

All firms are required to submit an original clearly marked and seven (7) copies of their proposal to Catherine Cabral, Treasurer, 11 Rye Street, Broadbrook CT 06016 by **July 22, 2011 @ 12:00 PM ET (Noon)**. 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
INVESTMENT ADVISOR FOR THE TOWN'S RETIREMENT/ OPEB PLANS
DATE _____
TIME - _____

INSTRUCTIONS

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

Table of Contents to include clear identification of the material provided by section and number;

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;

Name and telephone number of person(s) to be contacted for further information or clarification;

A background and qualifications statement, including description and history, of the firm, the servicing office, number of professional employees, years in business and technical qualifications. Respondent shall specifically address all of the minimum requirements identified in Section C. Firms meeting all of these requirements will be given greater consideration.

Include a list of not less than three (3) current client references from which services similar to those outlined herein have been provided or are currently being provided. This list shall include the following information:

Name of the organization

Approximate value of pension assets managed as of 06/30/2011

Dates services encompass

Services being provided

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.

List of personnel to be assigned to this project, including years of experience in their current position, municipalities served and their roles in providing services. Please provide their resumes, and document the chain of command to service the Town for these individuals. Indicate registration with SEC as investment advisor. Firm and project leader must also be licensed to do business in the State of Connecticut.

Identify the firm's specific expertise with Mutual Fund Investments in the following sectors:

- Asset Allocation
- Domestic Equity
- International Equity
- Fixed Income
- Real Estate

Identify and describe any litigation or investigation by a regulatory authority that the organization or officers have been involved in over the last three years that relate to investment advisory services.

Detail the specific data the **firm** would require from the Town to begin servicing this account.

Understanding of Scope of Work: Describe the following:

Information that explains the firm's ability to perform, implement and administer these services, emphasizing experience with other similar municipal or public retirement plans.

Describe the firm's general approach, philosophy, capabilities and experience in providing advisory services to establish goals, guidelines and objectives and the establishment and/or review of an asset allocation policy.

Describe the Investment Analysis approach that will be used to service the account including:

- Firm's investment style analysis, including an explanation of methodologies employed in investment performance evaluation and advice;
- How benchmarks are chosen or developed;
- How performance is compared to similar portfolios;
- How the firm responds to changing markets

Indicate the number of money managers the firm currently evaluates and the criteria by which the firm decides which managers to evaluate. Include how the firm performs due diligence of investment managers.

Explain the size, composition and source of the database used for relative comparison

purposes.

Describe the transition process the firm would implement to transfer existing retirement fund assets and information from the existing client provider

Include examples of reports or materials provided to other municipal clients. These materials should demonstrate innovation and leadership in the area of pension investment performance advice as well as the type of information and format of quarterly reports which will be provided to the Town.

Project work plan with suggested timeline for review of pension investments, recommendations for changes and transition plan of assets. Specific project work plan and completion dates to be determined with Town upon contract execution with selected firm.

General description of firm's approach to professional fees. A fee proposal is not required at this time.

A concluding statement as to why the respondent is best qualified to meet the needs of the Town.

Signed Non-Collusion Statement (**APPENDIX C**)

Respondent is required to review the Town of East Windsor Code of Ethics adopted April 27, 2006. The selected Bidder will also be required to complete and sign an Acknowledgement Form prior to award. The Code of Ethics can be accessed at the Town of East Windsor website at:

http://www.eastwindsorct.com/Public_Documents/EWindsorCT_bcomm/East_Windsor_Code_of_Ethics.pdf .

The Town of East Windsor 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 RFQ 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

All technical inquiries relative to this RFQ must be directed in writing to Catherine Cabral, Treasurer at ccabral@eastwindsorct.com or 11 Rye Street, Broadbrook CT 06016 and to lindarsavitsky@gmail.com of LRS Consulting Services no later than **4:00 PM(ET) July 08, 2011**.

All questions, answers, and/or addenda, as applicable, will be posted on the Town's website in

accordance with the schedule included herein at 2011. It is the respondent's responsibility to check the Town website for addenda prior to submission of any proposal.

No other East Windsor 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 East Windsor 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 East Windsor.

The Town of East Windsor 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:

RFP Issuance	06.29.2011
Questions Deadline	07.08.2011
Responses to Questions	07.12.2011
Submission Deadline	07.22.2011
Interviews	week of 08.15
Fee Proposals Submission Deadline	08.29.2011
Effective Date for Contracts	10.01.2011

APPENDIX A

Town of East Windsor, CT.

AFFIRMATIVE ACTION

STATEMENT OF POLICY

It is the employment policy of _____ that there shall be no discrimination against anyone on the grounds of race, color, religious creed, age, physical disability, or sex, national origin, ancestry, marital status, sexual orientation, or mental disorder, in any of its educational activities or employment policies.

In addition, this firm is in full compliance with the letter and intent of the various Equal Employment Opportunities and Civil Rights Statutes noted above.

Date

Signed (Name/Title of Company Officer)

Telephone

Street Address

E-mail

City/ State/ Zip

APPENDIX B

Town of East Windsor, CT

TAX AFFIDAVIT

The undersigned, being duly sworn, deposes and says:

1. I am over the age of 18 and believe in the obligations of an oath.
2. I, on my own behalf or on behalf of my company, am submitting a bid, quotation or proposal to the Town of East Windsor.
3. I understand that the submission of this affidavit is required by the Town of East Windsor in connection with my bid, quotation or proposal and that the East Windsor Board of Selectmen may consider the information contained in this affidavit in making the contract award.
4. I have performed an investigation to determine whether I or my company (as applicable) owes any delinquent state, local or federal tax.
5. Based upon my investigation, and to the best of my knowledge and belief, I or my company (as applicable) owes to the following governmental units(s) the following delinquent tax (es):

(Here, describe nature of each delinquent tax, approximate amount of same and governmental unit to which delinquent tax is owed. If no delinquent tax is owed, insert the words (Not Applicable.”)

(Name) (Title) (Company name)

APPENDIX C

Town of East Windsor, CT

CERTIFICATE OF NON-COLLUSION

The undersigned certifies under the penalties of perjury that this bid or proposal has been made in good faith and without collusion or fraud with any other person. As used in this certification, the word "person" shall mean any natural person, business, partnership, corporation, union, committee, club, or other organization, entity, or group of individuals.

(Name of Proposer)

(Signature of Authorized Agent)

(Date)

APPENDIX D

STANDARD BID and CONTRACT TERMS and CONDITIONS

- 1.0 The attached proposal is signed by the contractor with full knowledge of and agreement with the general specifications, conditions and requirements of this RFQ.
- 1.1 RFQs received later than the date and time specified will not be considered. Amendments to or withdrawals of RFQs received later than the date and time for opening will not be considered.
- 1.3 All deliveries of commodities hereunder shall comply in every respect with all applicable laws of the Federal Government and/or the State of Connecticut. Purchases made by the Town of East Windsor are exempt from the payment of Federal Excise Taxes and the State of Connecticut Sales Tax and such taxes must not be included in all prices. **All prices are FOB to EAST WINDSOR, CT.**
- 1.4 The Town of East Windsor reserves the right to reject any and all RFQs and to waive technical defects and to make such awards as it is deemed to be in the best interests of the Town of East Windsor.
- 1.5 The Town of East Windsor may withhold acceptance of work and payment, thereof, when it is determined that said work or materials do not meet the specified requirements. Payment will not be made until corrections are made which are acceptable to the Town of East Windsor officials and/or their authorized agent.
- 1.6 The Town of East Windsor may make such investigation as deemed necessary to determine the ability of the contractor to discharge his contract. The contractor shall furnish the Town of East Windsor with all such information and data as may be required for that purpose. The Town of East Windsor reserves the right to reject any RFQ if the contractor fails to satisfactorily convince the Town of East Windsor that he/she is properly qualified by experience and/or does have the facilities to carry out the work called for herein.
- 1.7 Specifications cannot be relieved by anyone other than the assigned agent for the Town of East Windsor.
- 1.8 All work done under this RFQ must comply with all State and Town Codes and licensed tradesmen will be used where applicable.
- 1.9 Payments for labor and materials will only be made upon installation. No payments will be made for material stored on the site.
- 1.10 Offer of Gratuities:

The contractor warrants, represents, and certifies that no elected or appointed official or employee of the Town of East Windsor has, or agrees to, benefit financially or materially from this procurement. This proposal may be terminated by Town without liability attaching to the Town if it is determined that gratuities of any kind were either offered to, or received by, any of

the aforementioned officials or employees from the contractor, the contractor's agent(s), representatives(s) or employees(s).

1.11 Americans with Disabilities Act:

The contractor shall comply with the Americans with Disabilities Act in accordance with Public Law 101-336 and any other applicable federal laws and regulations.

1.12 Contractor must complete the Affirmative Action Policy ([Appendix A](#)) to be submitted with the proposal. Sign and attach along with your proposal.

1.13 Any alleged oral agreements or arrangements made by proposers with any Town agency or employee will be disregarded in any Town proposal evaluation or associated award.

1.14 All proposal, response inquiries, or correspondence relating to or in reference to this proposal, and all reports, charts, displays, schedules, exhibits and other documentation submitted by vendors shall become the property of the Town of East Windsor when received.

1.15 Proposers are responsible for all costs and expenses incurred in the preparation of proposals and for any subsequent work on the proposal that is required by the Town.

1.16 Availability of funds:

If the Town of East Windsor should not, for any reason at any time, appropriate or otherwise make available funds sufficient to purchase, lease, operate or maintain the items procured pursuant to this proposal, the Town of East Windsor may unilaterally terminate upon thirty (30) days written notice to the successful vendor, any and all contractual or other obligations without penalty.

The Town of East Windsor will make every effort to give timely notice of any termination due to unavailability of funds. However, the failure to give notice will not stop the Town of East Windsor from claiming termination.

1.17 Execution of contract:

Upon the acceptance of a vendor's proposal, the Town of East Windsor will prepare and submit a contract to the successful vendor for signing. In the event that the successful vendor fails, neglects or refuses to execute the contract within thirty (30) days after receiving a copy of the contract from the Town of East Windsor, the Town of East Windsor may at its option terminate and cancel its action in awarding the contract and the contract shall become null and void and of no effect.

Incorporated by reference into the contract which is to be entered into by the Town of East Windsor and the successful vendor pursuant to this proposal will be (a) all of the information presented in or with this proposal and the vendor's response thereto, and (b) all written communications between the Town of East Windsor and the successful vendor whose proposal is accepted. The contract shall be executed by a designated official of the vendor and the Town of East Windsor.

The Town of East Windsor may delete, supersede or modify any of these standard instructions for a particular proposal.

APPENDIX E - INSURANCE REQUIREMENTS

The Contractor, at its own expense, will provide, carry and maintain throughout the term of this contract, adequate insurance as requested by the Town that will protect the Contractor, the Town of East Windsor, its officers, employees and volunteers from any and all claims for loss, damage, injury or death which may arise from the operation of this contract by the Contractor or anyone directly or indirectly employed by them. Policies shall be so written that the Town of East Windsor will be notified of cancellation at least thirty (30) days prior to the effective date of such cancellation. Certificates showing that all of the Contractor's operations are covered, and stating the coverage with the Town included as an additional insured, the limits of liability, expiration dates and exclusions, if any, will be filed with the Town of East Windsor before the term of the contract commences.

The Contractor's insurance carrier must be licensed to do business in Connecticut and must be rated in A.M. Best's Insurance Guide as a "secured carrier" with a rating of "A-" or better. The Insurance Certificate must state whether coverages are written on an "occurrence" basis or a "claims-made" basis. All insurance must maintain that the Town is an "additional insured" for General Liability and Umbrella policies, and any other coverages as the Town may require for specific projects. The Town of East Windsor its officers, officials, employees and volunteers are to be covered as insured as respects liability arising out of activities performed by or on behalf of the Contractor; products and completed operations of the Contractor; premises owned, occupied, or used by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the Town, its officers, officials, employees, or volunteers.

The Contractor's insurance coverage shall be primary insurance as respects the Town, its officials, employees and volunteers. Any insurance or self insurance maintained by the Town, its officers, officials, employees or volunteers shall be in excess of the Contractor's insurance and shall not contribute with it.

SECTION A. WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY

Worker's Compensation must be provided in accordance with the Worker's Compensation Laws of Connecticut. Should a Contractor be exempt from the Worker's Compensation Laws of the State of Connecticut, or any other State or Federal requirements, evidence of such exemption must be provided to the Town and a "Hold-Harmless" agreement provided in language satisfactory to the Town holding it harmless in the event of any claim for injury or damages. The Contractor is responsible for ensuring that all of its subcontractors carry Worker's Compensation Insurance, as described above.

Employer's Liability must be provided in accordance with the following limits:

\$1,000,000 each - Bodily Injury

\$1,000,000 disease - Policy Limit - Bodily Injury

\$1,000,000 disease - Each Employee - Bodily Injury

SECTION B. GENERAL LIABILITY

OCCURRENCE POLICY GUIDELINES

General Liability - Written under commercial or comprehensive form including the following:

(Premises/Operation, Products/Completed Operations, Contractual, Independent Contractors, Broad Form Property Damage, and Personal Injury.)

- ◆ General Aggregate \$1,000,000
- ◆ Products/Completed Operations Aggregate \$1,000,000
- ◆ Personal & Adv Injury \$1,000,000
- ◆ Each Occurrence \$1,000,000
- ◆ Fire Damage (any one fire) \$1,000,000
- ◆ Medical Expense (any one person) \$ 10,000
- ◆ Also "follow form" umbrella coverage over General Liability, Employer's Liability and Auto Liability in a minimum amount of \$1,000,000.

The Town requires that these aggregate limits be maintained by the Contractor as required. It is the responsibility of the Contractor or his representative to notify the Town if ever or whenever claims reduce the General Aggregate below \$1,000,000. If the aggregate limits include defense costs the Town should be so notified. It is the responsibility of the Contractor and his insuring agent to provide the Town with current certificates throughout the contract period keeping the required limits in full force and effect. The Town of East Windsor reserves the right to modify or change the requirements at any time if it is in the best interest of the Town to do so.

CLAIMS-MADE COVERAGE GUIDELINES

General Liability - Written under commercial or comprehensive form including the following: (Premises/Operations, Products/Completed Operations, Contractual, Independent Contractors, Broad Form Property Damage, and Personal Injury).

The Town requires that the Certificate of Insurance include the retroactive date of the policy. Retroactive dates must be either before or coincident with the Contract's inception.

The Town requires prompt and immediate notice of the following:

1. Erosion of any aggregate limits,

2. Advance of any retroactive dates,
3. Cancellation or non-renewal. Prior 30 day notice.

The Town requires that any extended reporting period premium be paid by the named insured. The reporting of possible claims to the Town of East Windsor is necessary and the Town retains the right to require that the Contractor at his/her expense invoke the extended reporting period. The Town requires that if any excess coverage is secured to meet the requirements that the retroactive dates be concurrent with the primary policy and that the retro dates be either before or coincident with the inception of the Contract. If the retroactive date is moved, or if the policy is canceled or not renewed, the Contractor must invoke the tail coverage option, at no expense to the Town but rather at the expense of the Contractor, in order to adequately assure that the policy meets the above requirements.

Liability Limits: Same as those under Section B.1 "Occurrence Policy Guidelines"

SECTION C. AUTOMOBILE LIABILITY

Automobile Liability - coverage for commercial or comprehensive automobile liability (vehicular), covering any auto, all owned autos (private passenger), all owned autos (other than private passenger), hired autos and non-owned autos.

- ◆ Combined Single Limit – Bodily Injury/Property Damage \$1,000,000
- ◆ Also “follow form” umbrella coverage over General Liability, Employer’s Liability and Auto Liability in a minimum amount of \$1,000,000.

Insurance under B & C above must provide for a 30-day notice to the Town of East Windsor of cancellation, non-renewal, termination, or any restrictive amendment.

SECTION D. PROFESSIONAL LIABILITY

The Contractor must have professional errors and omissions coverage with a liability limit of \$2,000,000 per claim/\$2,000,000 aggregate. The Contractor must provide proof that these limits are available under the policy depicted in the Certificate of Insurance. The Contractor is responsible for the payment of any deductible associated with any claim made against this policy. The Contractor must state whether the coverage is “occurrence form” or “claims made” coverage. If the coverage is “claims made”, it is the Contractor’s responsibility to assure that the coverage remains in force not only concurrently with the project dates but also as per the terms of the contract specifications.

APPENDIX F INDEMNIFICATION

To the fullest extent permitted by law, the Consultant shall indemnify and hold harmless the Town 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 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 workers' compensation acts, disability benefit acts or other employee benefit acts.

Adopted by the Board of Finance: (June 24, 2009)

EXHIBIT G

**TOWN OF EAST WINDSOR,
CONNECTICUT
INVESTMENT POLICY**

1.0 Policy Statement

It is the policy of the Town of East Windsor (the Town) that the administration and investment of Town funds shall be handled with a degree of professionalism that is worthy of the highest public trust. Investments shall be made in a manner which will provide the maximum safety for principal invested. Policy limits and diversification of the portfolio are established to protect liquidity for daily and other reasonably anticipated cash flow needs. Achieving a higher rate of return is secondary to the requirements for safety and liquidity. All investments will be made in full compliance with local ordinances, state statutes and any applicable IRS requirements.

2.0 Scope

This Investment Policy (the Policy) applies to the investment and management of all the funds under direct authority of the Town of East Windsor. The Policy will apply to all funds accounted for in the Town's Annual Financial Report, with the exception of the Town's Pension funds.

Except for cash in certain restricted and special funds, the Town will consolidate all funds. Investment income will be allocated or charged back to the various funds based on their actual balances and in accordance with generally accepted accounting principles. Interest will be calculated on a monthly basis, and credited back to all participating funds.

3.0 Prudence

3.1 The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. The Treasurer and all those delegated investment authority under this Policy, when acting in accordance with the written procedures and this Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations "from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this Policy. The "prudent person" standard states that "Investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

4.0 Objectives

The objective of the Town of East Windsor investment and cash management program is to ensure the safety, liquidity and yield on the funds entrusted to it. These objectives, set by the Policy, will ensure that all funds are immediately and continuously invested at the most reasonable market rates obtainable at the time of investment. The Town of East Windsor will seek to attain market rates of return on its investments, consistent with constraints imposed by its primary objectives (as listed below), cash flow considerations and state laws that restrict the investment of public funds.

The primary objectives, in priority order, of the Town of East Windsor's investment actions shall be:

4.1 Safety: Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital and protection of principal in the overall portfolio. This will be achieved by mitigating credit and interest rate risk.

- a. Credit Risk: The Town will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:
 - Limiting investments to the safest types of securities (highest quality, creditworthy).
 - Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the Town will do business.
 - Diversifying the investment portfolio by maturity and issuer so that potential losses on individual securities will be minimized.
 -
- b. Interest Rate Risk: The Town will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:
 - Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
 - Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

4.2 Liquidity: The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is assured through sufficient distribution of funds in highly liquid investments. The portfolio will be structured so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity) or investments which offer same day liquidity for short term funds.

4.3 Yield: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The investments authorized by this Policy are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

5.0 Delegation of Authorities

The investment authority for the Town of East Windsor is established by the Connecticut General Statutes. Responsibility for the investment program has been assigned to the Treasurer by the Charter of the Town of East Windsor, Connecticut. The Treasurer may engage the services of a professional cash manager to advise the Town on investments in accordance with this Policy. The Treasurer may delegate the daily investment management decisions and activities to the Assistant Treasurer or Deputy Treasurer.

The Treasurer will establish written procedures for the operation of the investment program, consistent with this Policy. Procedures will include safekeeping, investment transaction reports, trade documentation, master repurchase agreements and shall include specific delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Treasurer. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of internal controls to regulate the activities of subordinate officials.

Investment officials shall be bonded to protect the public against possible embezzlement and malfeasance.

All participants in the investment process shall seek to act responsibly as custodians of the public trust. It is the policy of the Town to provide investment training through attendance at courses and seminars offered by professional organizations and associations in order to insure quality, capability and currency in investment decisions.

6.0 Ethics and Conflict of Interest

Employees who have investment authority for the Town of East Windsor (specifically, the Director of Administration and Assistant Treasurer or Deputy Treasurer) shall refrain from personal business activity that could impair, or create the appearance of an impairment of, their ability to make impartial investment decisions. They shall disclose, as part of the annual audit disclosure process, any material financial interests in financial institutions that conduct business with the Town, and they shall further disclose any material personal financial/investment positions that could be related to the performance of the Town's portfolio. Employees shall comply with all applicable laws, regulations, professional codes of responsibilities and Town policies. Employees and investment officials shall also refrain from undertaking personal investment transactions with the same individual with whom the business is conducted on behalf of the Town.

7.0 Authorized and Suitable Investments

All investments shall be made in accordance with Connecticut General Statutes Sections 7-400 402. Only the following types of securities and transactions shall be eligible for use by the Town:

1. U.S. Treasury bills, notes and bonds with a final maturity not exceeding three years from the date of purchase.
2. Federal Agency debentures and mortgage backed securities with a final maturity not exceeding three years from the date of purchase issued by the Government National Mortgage Association (GNMA)

3. Federal Instrumentality debentures, discount notes, callable and step-up securities, with a final maturity not exceeding three years from the date of purchase, issued by the following only: Federal Home Loan Banks (FHLB), Federal National Mortgage Association (FNMA), Federal Farm Credit Banks (FFCB), and Federal Home Loan Mortgage Corporation (FHLMC).
4. Time Certificates of Deposit with a maturity not exceeding three years issued by a qualified public depository as defined in section 36a-330 of the General Statutes of Connecticut that are fully insured or collateralized.
5. Money Market Mutual Funds registered under the Investment Company Act of 1940 that (1) are "no-load" (meaning no commission or fee shall be charged on purchases or sales of shares); (2) maintain a constant daily net asset value per share of \$1.00; (3) limit assets of the fund to the securities described in 1, 2 and 3 above and repurchase agreements collateralized by such securities; and (4) have a maximum stated maturity and weighted average maturity in accordance with Federal Securities Regulation 2a-7..
6. Investment Pools that (1) are "no-load" (meaning no commission or fee shall be charged on purchases or sales of shares); (2) maintain a constant daily net asset value per share of \$1.00; (3) limit assets of the fund to the securities described in 1, 2 and 3 above and repurchase agreements collateralized by such securities; and (4) have a custodian that is a bank as defined in Section 36a-2 of the General Statutes of Connecticut, or an out-of-state bank, as defined in said section, having one or more branches in Connecticut.
7. State Short-Term Investment Fund (STIF).

It is the intent of the Town that the foregoing list of authorized investments be strictly interpreted. Any deviation from this list must be preapproved by the Investment Oversight Committee.

8.0 Safekeeping and Custody

The Treasurer shall approve one or more financial institutions to provide safekeeping and custodial services for the Town of East Windsor. A Safekeeping Agreement shall be executed with each custodian institution prior to utilizing safekeeping services. All investment securities and collateral will be held in third-party safekeeping by the approved custodian on behalf of the Town.

9.0 Diversification

Invested funds shall be diversified to minimize risk or loss resulting from over-concentration of assets in a specific maturity or specific issuer. The asset allocation in the portfolio should, however, be flexible depending upon the outlook for the economy, the securities market, and the Town's anticipated cash flow needs.

10.0. Maximum Maturities

To the extent possible, the Town of East Windsor will try to match its investments with anticipated cash flow requirements. The Town of East Windsor will not invest in instruments maturing more than three years from the date of purchase, and no more than 30% of the Town's total portfolio shall be invested in instruments maturing more than two years from the date of purchase.

11.0. Internal Controls

The Treasurer shall incorporate additional internal controls into the current cash management process and document them in writing. The internal control procedures will be reviewed and approved by the Town's independent auditors. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees and officers of the Town. The external auditors will annually review compliance with policies and procedures.

12.0. Selection of Broker/Dealers

The Treasurer shall maintain a list of authorized broker/dealers and financial institutions which are approved for investment purposes, and it shall be the policy of the Town to purchase securities only from those authorized institutions and firms. To be eligible, a firm must meet at least one of the following criteria:

1. Be recognized as a Primary Dealer by the Federal Reserve Bank of New York, or
2. Report voluntarily to the Federal Reserve Bank of New York, or
3. Qualify under Securities and Exchange (SEC) Rule 13c3-1 (Uniform Net Capital Rule).

Broker/dealers will be selected by the Director of Administration on the basis of their expertise in public cash management and their ability to provide service to the Town's account. Each broker/dealer shall be required to submit and annually update a Broker/Dealer Information form which includes the firm's most recent financial statements. Broker/dealers shall also attest in writing that they have received a copy of this Investment Policy.

13.0. Competitive Transactions

Each investment transaction shall be competitively transacted with broker/dealers who have been authorized by the Town. At least three broker/dealers shall be contacted for each transaction and their bid and offering prices shall be recorded. If the Town is offered a security for which there is no other readily available competitive offering, quotations for comparable or alternative securities will be documented.

14.0 Investment Oversight Committee

An Investment Oversight Committee will be created to ensure sound investment practices. The committee will be comprised of two elected officials (one from the Board of Finance and one from the Board of Selectmen), and the Treasurer. The Investment Oversight Committee will meet as needed. The Investment Advisory Committee will be provided with reports outlining performance, cash balances and budgetary projections no less than twice a year. The role of the committee is not to make actual investment decisions, but rather to act as an overseer of the investment program.

15.0 Performance Standards

The investment portfolio will be designed to obtain a market average rate of return during budgetary and economic cycles, taking into account the Town of East Windsor's investment risk constraints and cash flow needs.

15.1 Market Yield (Performance Benchmarks): The standard benchmark for determining whether market yields are being achieved for short to intermediate-term investment portfolios will be the yields of Treasury Securities with a maturity that matches the weighted average of the portfolio and the market yields of the State Treasurer's Investment Fund (STIF).

16.0. Reporting

If an external professional cash manager is utilized, they shall prepare monthly investment reports that summarize recent market conditions, economic developments and anticipated investment conditions. The report shall summarize the investment strategies employed in the most recent period, and describe the portfolio in terms of investment securities, maturities, risk characteristics and other features. It should also include a comparison of the performance standards outlined in section 15.1. The report shall explain the period's total investment return.

17.0. Investment Policy Adoption

The Town's Investment Policy shall be adopted by resolution of the Town of East Windsor Board of Finance. The policy shall be reviewed annually and any modifications made thereto must be approved by the Board of Finance.



TOWN OF EAST WINDSOR
Financial Statement of the Accounts
 May 01, 2011 to May 31, 2011

EXHIBIT H

Sector/Benchmark	Return	Return Rank	Initial Value	Income	Contributions	Disbursements	Transfers	Ending Value	Gain/Loss	Weight
Prm Core Bond (Babson)	1.35	1	3,322,138.34	.00	.00	.00	.00	3,367,072.58	44,934.24	23.27
Prm Short-Dur Bnd (Bab)	.66	2	1,213,460.53	.00	.00	-62,401.32	.00	1,158,660.54	7,601.33	8.01
Prm Money Mkt (Babson)	.00	3	8,946.53	.05	17,719.91	-2,624.01	.00	24,042.48	.00	.17
Sel Bl Chp Gr II (TRP)	-.70	4	2,459,308.74	.00	.00	.00	.00	2,442,080.65	-17,228.09	16.88
Pr Sm/Mid Cp Opp II (OFI Inst)	-1.10	5	1,148,335.03	.00	.00	.00	.00	1,135,750.54	-12,584.49	7.85
Sel Lrg Cap Val (Davis)	-1.23	6	2,453,787.94	.00	.00	.00	.00	2,423,520.96	-30,266.98	16.75
Prm Intl Equity (OFI)	-1.51	7	2,659,530.00	.00	.00	.00	.00	2,619,336.59	-40,194.41	18.10
Sel Sm Cap Gr Eq (W&R/WTN)	-2.86	8	1,336,979.40	.00	.00	.00	.00	1,298,799.83	-38,179.57	8.98
			14,602,486.51	.05	17,719.91	-65,025.33	.00	14,469,263.17	-85,917.97	100.00

Run Date: 06/27/11
 Account: 001269701

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TOWN OF EAST WINDSOR
Dollar Weighted Selected Period Performance
 May 31, 2011

Sector	Market Value	Year to Date (5 Months)						Inception to Date (128 Months)
		1 Month	3 Months	12 Months	36 Months	60 Months		
Sel Lrg Cap Val (Davis)	2,423,521	-1.23	2.28	6.05	23.67	.43	2.49	
Pr Sm/Mid Cp Opp II (OFI Inst)	1,135,751	-1.10	4.53	9.27	28.54	6.83	4.58	
Sel Bl Chp Gr II (TRP)	2,442,081	-.70	1.07	7.38	28.05	4.20	3.73	
Sel Sm Cap Gr Eq (W&RWWTN)	1,298,800	-2.86	4.98	11.95	33.32	8.10	6.71	
Prm Short-Dur Bnd (Bab)	1,158,661	.66	1.51	2.18	4.42	5.88	5.68	
Prm Core Bond (Babson)	3,367,073	1.35	2.84	3.60	6.65	7.44	6.92	
Prm Intl Equity (OFI)	2,619,336	-1.51	5.68	9.22	36.12	2.81	6.19	
Prm Money Mkt (Babson)	24,042	.00	.00	.00	.00	.85	3.36	
TOTAL FUND	14,469,263	-.59	3.14	6.64	20.92	4.63	5.12	
							4.36	

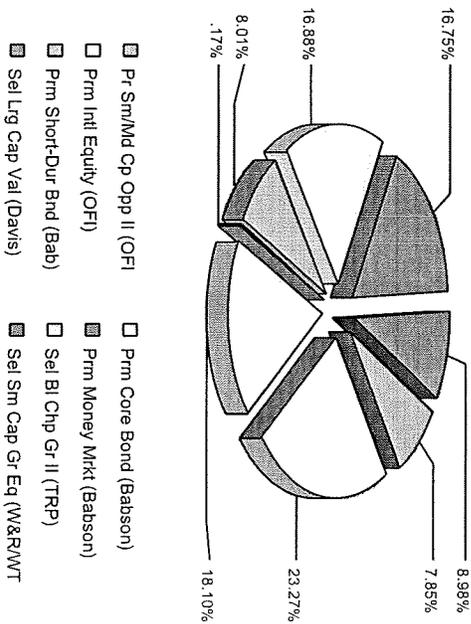
Run Date: 06/27/11
 Account: 001269701
 Account Inception: 10/01/2000

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TOWN OF EAST WINDSOR
Asset Allocation Analysis Graph
 May 31, 2011

Sector	Market Value	Allocation %
Prm Money Mkt (Babson)	24,042	.17
Prm Short-Dur Bnd (Bab)	1,158,661	8.01
Prm Core Bond (Babson)	3,367,073	23.27
Sel Lrg Cap Val (Davis)	2,423,521	16.75
Sel Bl Chp Gr II (TRP)	2,442,081	16.88
Pr Sm/Md Cp Opp II (OFI Inst)	1,135,751	7.85
Sel Sm Cap Gr Eq (W&RWMTN)	1,298,800	8.98
Prm Intl Equity (OFI)	2,619,336	18.10
Total	14,469,263	100.00



- Pr-Sm/Md Cp Opp II (OFI)
- Prm Intl Equity (OFI)
- Prm Short-Dur Bnd (Bab)
- Sel Lrg Cap Val (Davis)
- Prm Core Bond (Babson)
- Prm Money Mkt (Babson)
- Sel Bl Chp Gr II (TRP)
- Sel Sm Cap Gr Eq (W&RWMT)

Run Date: 06/27/11
 Account: 001269701

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