

**TOLLAND PUBLIC LIBRARY FOUNDATION, INC.**

**REQUEST FOR PROPOSAL**

**INVESTMENT MANAGEMENT SERVICES**

**Proposal Due Date:**

**January 4, 2010, 4:00 p.m.**



## *Tolland Public Library Foundation, Inc.*

### **REQUEST FOR PROPOSAL INVESTMENT MANAGEMENT SERVICES**

#### **I. Purpose**

The Tolland Public Library Foundation, Inc. (TPLF) of Tolland, Connecticut invites Request for Proposals for Investment Services from qualified firms to provide investment management and advisor services. All information in this and the included documents are to be considered confidential, not to be shared with other “affiliate” or “partner” organizations or publicly disclosed. If your organization does not agree to these terms, please return these documents promptly and securely. This Request for Proposal contains background information on TPLF and specific information that must be included in the proposals submitted. The Foundation reserves the right to reject any proposals with or without cause and to accept any proposals it considers favorable. The Foundation is not liable for any costs incurred by respondents.

#### **II. Background Information**

Founded in 1995, the TPLF is a tax-exempt foundation under Internal Revenue Code Section 509(a)1 a subsection of 501(c)(3) which manages endowment and operating accounts to provide the Tolland Public Library funding for resources and activities to enhance the Library’s role as a public literary resource. TPLF is funded primarily from donations from local business owners, town residents, estates and investment income.

TPLF currently has more than \$500,000 in an endowment fund where the basis must be protected and approximately \$25,000 of funds which are operational or Board managed. The recently received endowment was in a diversified portfolio but because of IRS rules for a beneficiary IRA, the account will be liquidated in 2009 and temporarily stored in very safe low return assets until we select an advisor and investment custodial firm for our new diversified portfolio. TPLF current investment and spending policies are described in the attached documents and subject to revision by the Board based on our findings and recommendations of the selected advisor. The services required by the investment advisor are described in the investment policy.

To avoid a possible conflict of interest the Board will select an investment advisor who is not employed or compensated by the custodial firm.

To enable the board to budget the fees for the investment advisor services, we will negotiate a contract with fixed payments not based on a percentage of the portfolio. The contract will be reviewed by the Tolland Town Attorney and approved by the Foundation.

The following items are included in the package to assist you in better understanding TPLF and its investment needs:

- A copy of TPLF’s current Investment Policy dated September 22, 2009
- A copy of TPLF’s Spending Policy dated October 5, 2009
- A copy of the TPLF Brochure



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**III. Scope of Services**

Please see attached Investment Policy Statement for additional information. Services shall include, but not be limited to:

- A. Work closely with the Board of Directors of TPLF to establish a productive working relationship.
- B. Review Board of Directors of TPLF's policies and goals and provide recommendations for meeting them.
- C. Notify the Board's Finance Committee of any significant changes, or potential changes, to the Foundation holdings that jeopardize the principle or require recognition and prompt action.
- D. Process transactions to implement recommendations agreed to by the Board.
- E. Provide quarterly and annual reports of fund performance and revised recommendations.
- F. Make changes necessary to rebalance the portfolio to align with the Board's asset allocation and recommendations agreed to by the Board.
- G. Review of shareholder meeting proposals and voting of proxies – The Investment Manager will review shareholder meeting proposals and advise the Board of any changes that will significantly affect the asset performance or character. The Investment Manager will be instructed to vote proxies in line with the recommendations of the management of the portfolio company unless the Investment Manager has communicated to the Board serious concerns and is instructed by the Board to do otherwise.

**IV. Proposal Content**

The following items should be specifically addressed in the proposal submitted and must reference the item by letter.

- A. Company information:
  - a. Year organized
  - b. Number of clients
  - c. Type of clientele (foundation types defined by private, public and size of portfolio)
  - d. Number of staff (i.e., investment-related staff only)
  - e. Assets under management
  - f. Number of offices
  - g. Locations of corporate headquarters and local office we will work with



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- h. Related organizations
  - i. Disclosure/description of any past or present litigation or regulatory actions against your firm
  - j. E-mail contact information
- B. The qualifications of your firm and its ability to provide investment management services
- a. Qualifications of principals and professional staff (Please specify those individuals who will be directly responsible for our account)
  - b. Number of years of experience in investment management
  - c. Discussion of investment philosophy
  - d. Discussion of your customer service philosophy
- C. Relevant experience with other similar not-for-profit organizations
- a. How many not-for-profit clients, specifically (*public non-profit foundations*) do you advise? Firms that do not have non-profit foundation clients will not be considered.
  - b. Include three specific references that we may contact (Clients most similar in type and size requiring similar services as we have requested and that you would recommend)
- D. Reporting, portfolio evaluation, account reviews – As described in our Investment Policy including:
- a. Frequency of reporting to clients (e.g.: monthly, quarterly and annual)
  - b. Form of your reports (please provide a sample)
  - c. Frequency of portfolio evaluation
  - d. Compliance with AIMR reporting standards
  - e. Frequency of account review by your firm and willingness to meet with the Board to make recommendations, discuss performance and raise alerts if significant factors pertaining to held assets arise requiring prompt consideration of consequences and possible changes in the portfolio
- E. Recommended asset allocation – Please use our Investment Policy as a starting point
- a. Recommended asset allocation and estimated annual rate of return for one, three, five and ten years compared to relevant indices
- F. Recommended changes to the investment policy
- a. Effects on efficient frontiers and specific returns
  - b. Effect on your fees, if any
  - c. Rationale for recommendations
  - d. Pros and Cons of recommended changes



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**G. Insurance**

- a. Provide a listing of applicable insurance coverage maintained with relevant coverage limits
- b. Provide the name of your primary insurance carrier and their related AM Best rating

**H. Research and investment decisions**

- a. Provide research methods and resources (external and internal)
- b. Discussion of investment decision making process (committee, portfolio manager, external investment managers, etc.)

**I. Fees**

- a. Specify all fees involved for each of the services you are proposing to provide
- b. Specify the initial and on-going consulting fees and any custodial or management fees
- c. We would prefer an annual review and agreement on the fees and payment schedule. Please provide options if this is not possible.

**J. Other Services**

- a. Please address any alternative or additional services that you are capable of providing that may be of benefit to TPLF.
- b. Discuss your experience in rendering such services.

**V. Selection Criteria**

All proposals will be reviewed against criteria outlined above and below. Respondents may be called to make a presentation before a Selection Committee. The final selection will be based on the written proposal and an interview. All proposals submitted shall be considered valid for sixty (60) days from the opening date.

- a. Quality and relative experience of the firm and individuals.
- b. History in providing similar services to comparable foundations.
- c. The Board's judgment of the appropriateness of the candidate
- d. Competitiveness of fees.

**VI. Timing**

We plan to make our selection within a month after the submission deadline and would expect work to begin upon successful negotiation of a contract.



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**VII. Equal Opportunity**

The firm shall comply with the State of Connecticut Executive Order No. 3 promulgated to promote Equal Employment Opportunity and non-discrimination throughout the labor force in Connecticut. The Tolland Public Library Foundation, Inc. is an EOE/AA employer.

**VIII. Compliance with Laws**

Each firm shall at all times observe and comply with all laws, ordinances and regulations of the Federal, State and Local Governments, which may in any way affect the preparation or performance of the advisory services. The contracted firm agrees it will hold harmless and indemnify the Tolland Public Library Foundation, Inc. from any action which may arise out of any act by the firm concerning lack of compliance with these laws and regulations.

**IX. Basis for the Award**

The Tolland Public Library Foundation, Inc. shall make its decision based on the information provided in response to the proposal and an interview of final candidates. The Tolland Public Library Foundation, Inc. reserves the right to accept or reject any proposal to best serve its interests. Acceptance of the firm's response does not place the Foundation under any obligation.

**X. Submission of Proposals**

All proposals must be received by 4:00 pm on January 4, 2010. Three (3) sealed copies of the proposal must be submitted in an envelope marked "Proposal-Investment Services" and addressed to:

Phil Bognar  
President, Board of Directors  
Tolland Public Library Foundation, Inc.  
21 Tolland Green  
Tolland, CT 06084

Alternatively, proposals may also be hand delivered to the Director of Library Services, Tolland Public Library, 21 Tolland Green, Tolland, CT 06084 by the stated deadline above.

**XI. Contact Information**

All inquiries should be directed to our e-mail address: [libraryfoundation@tolland.org](mailto:libraryfoundation@tolland.org). Any questions and responses to inquiries related to the RFP document will be posted on the Tolland Library RFP web pages at [www.tolland.org/library/RFP](http://www.tolland.org/library/RFP) . Please submit your e-mail address with your Company information.



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**XII. Collusion**

By responding, the firm implicitly states: that his/her proposal has not been made in connection with any other competing firm submitting a separate response to this RFP; is in all respects fair; and has been submitted without collusion or fraud. It is further implied that the firm did not participate in the RFP development process, had no knowledge of the specific contents of the RFP before its issuance, and that no employee/contractor of the Tolland Public Library Foundation, Inc. either directly or indirectly assisted in the vendor's proposal preparation.

**XIII. Termination**

The Tolland Public Library Foundation, Inc. may terminate any contract(s) or any part of any contracts resulting from this process at any time for: cause, default or negligence on the part of the vendor; or if the vendor fails, in the opinion of the TPLF, to meet the general terms and conditions of any resulting contract or to provide a level of service that is deemed to be in the best interest of the TPLF.

**XIV. Freedom of Information**

Respondents are advised that any and all materials submitted in response to this RFP shall become the sole property of the Tolland Public Library Foundation, Inc. and shall be subject to the provisions of Section 1-210 of the Connecticut General Statutes (re: Freedom of Information).

**XV. Incurred Costs**

This Request for Proposal does not commit the Tolland Public Foundation, Inc. to award a contract or to pay any costs incurred in the preparation of a response to this request. The Tolland Public Library Foundation, Inc. will not be liable in any way for any costs incurred by respondents in replying to this RFP.

**XVI. Right to Cancel**

The Tolland Public Library Foundation, Inc. reserves the right to cancel this RFP at any time and to decide not to consider any or all of the respondents submitting information in response to this request.

**XVII. Severability**

If any terms or provisions of this Request for Proposal shall be found to be illegal or unenforceable, then such term or provision shall be deemed stricken and the remaining portions of this document shall remain in full force and effect.