

RESOLUTION NO. 12 – 04

**RESOLUTION AUTHORIZING ISSUANCE OF
A REQUEST FOR PROPOSALS FOR INVESTMENT ADVISOR SERVICES**

WHEREAS, the New Jersey Environmental Infrastructure Trust (the "Trust") is organized and existing under the New Jersey Environmental Infrastructure Trust Act, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (codified at N.J.S.A. 58:11B-1 et seq.), as the same may from time to time be amended and supplemented (the "Act"); and

WHEREAS, pursuant to Section 5(j) of the Act, the Trust is authorized to invest moneys of the Trust not required for immediate use in accordance with the Rules and Regulations of the State Investment Council or as may otherwise be approved by the Director of the Division of Investment in the Department of the Treasury.

NOW THEREFORE BE IT RESOLVED THAT, the Executive Director of the Trust is authorized, in consultation with counsel, to prepare and distribute a Request for Proposal (RFP) to such Investment Advisors pursuant to Policy and Procedure No. 4.00 (Procurement Policy).

BE IT FURTHER RESOLVED THAT the Executive Director is further authorized to designate a procurement committee pursuant to the Procurement Policy to independently review all proposals received and make a report and recommendation as to the selection of an Investment Advisor to the Executive Director; and

BE IT FURTHER RESOLVED THAT the Executive Director shall present the Board with a recommendation for contract award for Investment Advisor Services for a period not to exceed two (2) years, July 1, 2012 through June 30, 2014; and

BE IT FURTHER RESOLVED THAT the Executive Director is authorized to take all other actions consistent with the Procurement Policy to procure the services of an Investment Advisor.

Adopted Date: January 12, 2012

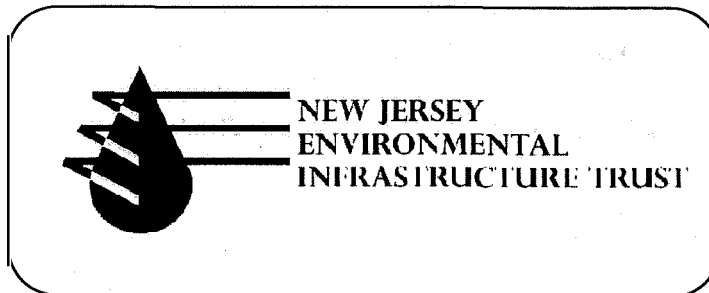
Motion Made By: Mr. Barrack

Motion Seconded By: Mr. Gardner

Ayes: 6

Nays: 0

Abstentions: 0



Request for Proposal

Investment Advisory Services For SFY2013 and SFY2014

**Issued by the
New Jersey Environmental Infrastructure Trust**

**Date Issued:
March __, 2012**

**Questions and Answer Cut-Off Date:
5:00PM EST April __, 2012**

**Proposals Due Date:
12:00 PM EST April __, 2012**

**In the Office of the Chief Budget Officer
3131 Princeton Pike, Building 6, Suite 201
Lawrenceville, NJ 08648
(609) 219-8600**

**Please Label Proposals with Firm's Name and
"Proposal for Investment Advisory Services for SFY2012 and SFY2013"**

**NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
REQUEST FOR PROPOSAL
FOR INVESTMENT ADVISORY SERVICES For SFY2013 and SFY2014**

Background

The New Jersey Environmental Infrastructure Trust was organized pursuant to N.J.S.A. 58:11B-1 et seq. in August, 1986, as an instrumentality of the State exercising public and essential government functions. The NJEIT exists within, but is independent of any supervision or control by, the New Jersey Department of Environmental Protection

The purpose of the NJEIT is to provide financial assistance to New Jersey borrowers authorized to construct, operate and maintain environmental infrastructure systems. One way in which the NJEIT fulfills its purpose is by participating with the New Jersey Department of Environmental Protection (State) in the Environmental Infrastructure Financing Program (Program). The NJEIT contracts to make loans to finance a portion of the costs of environmental infrastructure system projects that borrowers in New Jersey are authorized to undertake and which they may lawfully finance through borrowings. The State provides companion loans for these same projects.

The NJEIT's enabling legislation requires extensive legislative oversight of the NJEIT, including fiscal accountability and control over its operating expenses, loan and debt guarantee activities, and borrowing and debt obligations. No funds from State or federal sources or State bond issues will be made available to the NJEIT unless appropriated by the Legislature.

Powers and Structure of the Environmental Infrastructure Trust

The New Jersey Environmental Infrastructure Trust is a State financing authority empowered to issue revenue bonds, to make loans, and guarantee debt issued by borrowers for the construction of environmental infrastructure projects. The NJEIT consists of a seven-member board of directors. Of the four public members, two are appointed by the Governor, one by the Governor upon the recommendation of the Speaker of the General Assembly and one by the Governor upon the recommendation of the President of the Senate. The remaining three members, the State Treasurer, the Commissioner of the State Department of Community Affairs and the Commissioner of the State Department of Environmental Protection are members ex-officio. The powers of the NJEIT are vested in the Board of Directors of the NJEIT. However, the minutes of all NJEIT meetings must be delivered to the Governor and Legislature. The Legislature

may provide written comment to the Governor and the Governor may veto any NJEIT action within 10 business days. No NJEIT actions initiating the issuance of bonds, notes, or other obligations can be effective without the prior written approval of both the Governor and State Treasurer.

The NJEIT's enabling legislation requires extensive legislative oversight of the NJEIT, including fiscal accountability and control over its operating expenses, loan and debt guarantee activities, and borrowing and debt obligations. No funds from State or federal sources or State bond issues will be made available to the NJEIT unless appropriated by the Legislature. The NJEIT may not expend any funds for environmental infrastructure projects unless the expenditure is authorized by an appropriations act approved by the Legislature.

Pursuant to this Request for Proposal, the NJEIT shall select an Investment Advisor for the purpose of managing and investing unobligated funds held by the NJEIT. The following paragraphs describe the scope of services for the NJEIT's Investment Advisor and information to be provided by interested firms.

Bidders are encouraged to visit the NJEIT's website at www.njeit.org for additional information about its mission, programs and financial structure.

Bidders are encouraged to frequently check the Request for Proposals section of the NJEIT's web site for any updates and/or additional information pertaining to this RFP.

Minimum Qualifications

1. The investment consulting firm must be a registered investment advisor under the Investment Company Act of 1940. Please attach as an appendix to your proposal your firm's current Form ADV Part 1 and II.
2. The investment consulting firm must have been in business for a minimum of five years providing services similar to those for which the consulting firm wishes to be considered. To be eligible to provide a particular service, the investment consulting firm must have experience providing similar services to at least three other entities; at least one of these entities must have at least \$10 billion in assets.
3. The investment consulting firm must carry adequate insurance as set forth below.
4. The investment consulting firm must not be in bankruptcy, conservatorship, receivership, or in the possession of a regulatory agency.

5. Any legal and/or regulatory inquiries and/or sanctions against the firm or any individuals employed by the firm must be disclosed.

Schedule (subject to change as required)

- | | |
|--------------------------------------|----------------|
| 1. RFP published and distributed: | March __, 2012 |
| 2. Proposals due: | April __, 2012 |
| 3. Proposals reviewed and evaluated: | May __, 2012 |
| 4. Finalists interviews (if needed): | May __, 2012 |
| 5. Selection: | May __, 2012 |
| 6. Board of Directors approval: | May __, 2012 |
| 7. Contract begins: | July __, 2012 |

Scope of Services

In accordance with the NJEIT's Investment Policy (copy included) the selected Investment Advisor firm shall invest the unobligated funds of the NJEIT including **\$50 million** of funds for the Interim Financing Program. The portfolios shall be managed in such a manner that funds are available to meet reasonably anticipated cash flow requirements. The firm will have the discretion to buy and sell any and all investments in accordance with the NJEIT's Investment Policy and applicable state guidelines. The NJEIT requires investment return's competitive with comparable funds.

- The selected Investment Advisor will need to, at a minimum, have the ability to prepare monthly statements listing all activity and month-end holdings to be supplied to the NJEIT, including on-line viewing capabilities.
- Submit to the NJEIT a quarterly performance report.
- Make recommendations for improved monthly and quarterly reports.
- On a continuing basis advise the NJEIT as to market conditions and impacts on the NJEIT's earnings.
- Develop an Investment Strategy and Plan in accordance with the NJEIT's cash flow needs and adopted Investment Policy.
- Make recommendations for improvements to the NJEIT's

Investment Policy as appropriate.

- The Term of this procurement shall be (2) two years.

Information to be Provided by Bidder

It will be the proposing firm's responsibility to provide all required information, including required attachments. No information beyond that specifically requested is required and proposing firms are requested to keep their submissions to the shortest length consistent with making a complete presentation of qualifications. To this end, the proposing firm shall complete and/or submit the following documents as part of his/her sealed proposal package presented in the following format and order. **Unless otherwise indicated, a proposal that does not provide all of the information requested below may be rejected.**

1. An Executive summary of not more than three (3) pages identifying and substantiating the basis of your contention that you are the best qualified firm to provide the requested services for the NJEIT. Please address what it is that your firm offers to the NJEIT that competing firms cannot, a statement that the proposal is a firm and irrevocable offer for the engagement period. Include the signature of an authorized official of the firm who has been designated to submit the proposal on behalf of their firm. Provide the name and address of the firm, the name, telephone number, fax number, and e-mail address of individual or individuals responsible for the preparation of this proposal who may be contacted in the event of questions or notification, and the location of the office, if other than that shown above at which the services to be provided hereunder will be performed.
2. A staffing plan listing those persons who will be assigned to the engagement if your firm is selected, including the designation of the person who would be responsible for the engagement. This portion of the proposal should include the relevant resume information for the individuals who would be assigned. This information should include, at a minimum, a description of the person's relevant professional experience, years and type of experience, and number of years with the firm.
3. A description of the firm's experience in programs of the type described in this proposal, for both private and public entities.
4. A description of resources of the firm (i.e., background, location, experience, staff resources, financial resources, other resources, etc.). Provide a copy of the firm's most recent audited financial statements.
5. A listing of all current public clients, including information on the type of engagement.

6. Six references, including at least three clients for whom services have been provided for at least three years. Provide the contact names, positions and phone numbers.
7. If your firm has been engaged in any litigation involving a sum of \$100,000 or more or subject to any professional disciplinary action since January 1, 1999, you must provide a description of the litigation or disciplinary action.
8. Describe all licenses held and maintained by your firm, its directors, or officers and principals and any of the individuals who will be responsible for providing the services described in this RFP that are required in order to do business in the State or elsewhere. Please provide a listing of any and all suspensions or expulsions by those regulatory agencies of your firm or any of its personnel since January 1, 1999 with an explanation of the reason for such suspensions or expulsions and the time period for such actions.
9. Provide a description of any ongoing investigations or litigation matters involving your firm, its directors, officers and principals and any individuals employed by the firm since January 1, 1998.
10. Describe in detail how the Firm will proceed with the investment of the NJEIT's funds within the requirements of the federal tax law and the NJEIT's existing Investment Policy.
11. Please describe your firm's presence in New Jersey and indicate if your firm qualifies as a minority owned or woman owned firm.
12. Provide your methodology for calculation of fees.
13. Identify any existing or potential conflicts of interest, as well as your representation of parties or other relationships that might be considered a conflict of interest, that may affect or involve transactions for the NJEIT.

Evaluation Procedure and Criteria

The NJEIT has appointed a committee to review the proposals submitted in response to this request and to make recommendations to the NJEIT Board of Directors. The committee will review all proposals in light of the major evaluation criteria set forth below **and set forth in the attached rating sheet (with corresponding weights)**.

- The Firm possesses experience and qualifications to efficiently manage funds, maintain accounts and records and provide all required services (2)

- The Firm possesses sufficient assets to assume and execute required responsibilities (3)
- The Firm's reputation as a respected, nationally known, experienced Investment Firm (2)
- The Firm's proposal for investment services specifically addressing compliance with federal tax law and the Trust's Investment Policy, and support services including online capabilities (5)
- Identification of the team to be assigned to service the Trust and the Team's relevant experience and qualifications (4)
- The proposed cost for services and the methodology stated for setting future compensation (6)
- Presentation (optional, scope of presentations and weight assigned when drafting RFP)
- The firm's presence in New Jersey (1).

Please Note: Joint ventures will not be considered.

Please be advised that cost will not be the sole determining factor.

Representatives of the firms or institutions may be invited to interview for the purpose of clarification, verification of evaluations, review of personnel, etc. The NJEIT may ask firms being interviewed to provide professional references and identify specific personnel from their staff for the purpose of an interview. The decision to conduct interviews or check references of either individual firms, all firms, or no firms is at the sole discretion of the NJEIT.

Other Requirements

1. **Emergency Preparedness.** The NJEIT recognizes and acknowledges that the protection of its assets and business operations is a major responsibility to its employees, business associations, and other communities that it services. The NJEIT must be sure that all essential vendors/contractors that provide critical business services to the NJEIT have planned for unforeseen emergencies and or disasters and that all aforementioned vendors/contractors have a Business Continuity and Disaster Recovery Plan in place. To that end the NJEIT is requiring all bidders to provide responses to the following:

A. Does the firm have a Disaster Recovery Plan/Business Continuity Plan in

place?

B. If yes, please attach a copy of the firm's plan, or at a minimum an executive summary. How often it is updated, and what assistance if any would be available to the NJEIT?

C. If no, please summarize how the firm plans to deal with a catastrophic event which might disrupt the firm's business operations and services.

2. **Business Registration:** Each firm submitting a response to this RFP is required to provide the State with proof of business registration in New Jersey. Further, in compliance with Executive Order No. 129 issued September 9, 2004 each firm submitting a response to this RFP is required to indicate in their proposal the location by country where services under the contract will be performed.

3. **Requirements of Public Law 2005, Chapter 51 (formerly Executive Order 134).** The firm selected pursuant to this RFP will be required to comply with Public Law 2005, Chapter 51, limiting the ability of State agencies and independent authorities to enter into contracts with business entities that have made certain political contributions. In order to safeguard the integrity of State government procurement by imposing restrictions to insulate the award of State contracts from political contributions that pose the risk of improper influence, purchase of access, or the appearance thereof, Public Law 2005, Chapter 51 (N.J.S.A. 19:44A-20.13 to 20.25, superseding Executive Order 134 (2004)) ("P.L.2005, c. 51") was approved on March 22, 2005. Pursuant to the requirements of P.L.2005, c. 51, the terms and conditions set forth in this section shall be a material term and condition of, and shall be binding upon all parties to, this Request for Proposals and any contract(s) resulting there from:

3.1 Definitions For the purposes of this section, the following definitions shall apply:

(a) "Contribution" means a contribution made on or after October 15, 2004 reportable by a recipient under the New Jersey Campaign Contributions and Expenditures Reporting Act, P.L. 1973, c.83 (N.J.S.A. 19:44A-1 et seq.) and implementing regulations set forth at N.J.A.C. 19:25-7 and N.J.A.C. 19:25-10.1 et seq. Contributions made prior to January 1, 2005 in an amount in excess of \$400 during a reporting period are deemed "reportable." As of January 1, 2005, contributions in excess of \$300 are deemed "reportable."

(b) "Business entity" means any natural or legal person, business corporation, professional services corporation, limited liability company, partnership, limited partnership, business trust, association or any other legal commercial entity organized under the laws of the State of New Jersey or any other state or foreign jurisdiction. The definition includes (i) all principals who own or control more than 10 percent of the

profits or assets of a business entity or 10 percent of the stock in the case of a business entity that is a corporation for profit, as appropriate; (ii) any subsidiaries directly or indirectly controlled by the business entity; (iii) any political organization organized under section 527 of the Internal Revenue Code, 26 U.S.C. § 527, that is directly or indirectly controlled by the business entity, other than a candidate committee, election fund, or political party committee; and (iv) if a business entity is a natural person, that person's spouse or child, residing in the same household as the person.

3.2 Breach of Terms of Public Law 2005, Chapter 51 Deemed Breach of Contract. It shall be a breach of the terms of any contract entered into as the result of this bid application for a business entity to (i) make or solicit a contribution in violation of P.L.2005, c. 51; (ii) knowingly conceal or misrepresent a contribution given or received; (iii) make or solicit contributions through intermediaries for the purpose of concealing or misrepresenting the source of the contribution; (iv) make or solicit any contribution on the condition or with the agreement that it will be contributed to a campaign committee of any candidate or holder of the public office of Governor, or to any State or county party committee; (v) engage or employ a lobbyist or consultant with the intent or understanding that such lobbyist or consultant would make or solicit any contribution, which if made or solicited by the business entity itself, would subject that entity to the restrictions of P.L.2005, c. 51; (vi) fund contributions made by third parties, including consultants, attorneys, family members, and employees; (vii) engage in any exchange or contributions to circumvent the intent of P.L.2005, c. 51; or (viii) directly or indirectly, through or by any other person or means, do any act which would subject that entity to the restrictions of P.L.2005, c. 51.

3.3 Certification and Disclosure Requirements (a) Pursuant to the requirements of P.L.2005, c. 51, the NJEIT shall not enter into an agreement or otherwise contract to procure from any business entity services or any material, supplies or equipment, or to acquire, sell, or lease any land or building, where the value of the transaction exceeds \$17,500, if that business entity has solicited or made any contribution of money, or pledge of contribution, including in-kind contributions to a candidate committee or election fund of any candidate or holder of the public office of Governor, or to any State or county political party committee during certain specified time periods. Accordingly, the business entity shall submit with its bid application Certification(s) in the form set forth in Appendix 1 attached hereto, certifying that it has not made any contribution that would bar the award of a contract pursuant to P.L.2005, c. 51. A separate Certification is required for each person or organization that constitutes a business entity as defined above. Failure to submit the required Certification(s) with the bid application shall be a cause for automatic rejection of the bid application. (b) Prior to the award of any contract or agreement to any business entity, the business entity proposed to be the intended awardee of the contract or agreement shall report all contributions the business entity made during the preceding four years to any political organization organized under section 527 of the Internal Revenue Code, 26 U.S.C. § 527, that also meets the definition of a "continuing political committee" within the meaning

of N.J.S.A. 19:44A-3n and N.J.A.C. 19:25-1.7, in the form of the disclosure **attached hereto as Exhibit D**. A separate disclosure is required for each person or organization that constitutes a business entity as defined above. The intended awardee shall submit the required disclosure(s) to the NJEIT within five (5) business days of the intended awardee's receipt of a Notice of Intent to Award a Contract.

Any business entity that is the awardee of a contract or agreement shall, on a continuing basis, report any contributions it makes during the term of the contract or agreement, and any extensions thereof, at the time any such contribution is made on the Continuing Disclosure of Political Contributions form **attached hereto as Exhibit D**. A separate Continuing Disclosure is required for each person or organization that constitutes a business entity as defined above.

3.4 State Treasurer Review All Certifications, disclosures and reports required by this section, and any other pertinent information concerning contributions, shall be subject to review by the State Treasurer prior to and/or during the term of any contract or agreement awarded pursuant to this bid application. If the State Treasurer determines that any contribution, or any other act that would constitute a breach of contract pursuant to section 9 of P.L.2005, c. 51, poses a conflict of interest in the awarding of any contract or agreement, the State Treasurer shall disqualify such business entity from bidding on or being awarded such contract or agreement.

4. Disclosure Requirement of P.L. 2005, C.271 Contractor is advised of its responsibility to file an annual disclosure statement of political contributions with the New Jersey Election Law Enforcement Commission (ELEC), pursuant to P.L. 2005, c. 271, section 3 if the contractor receives contracts in excess of \$50,000 from a public entity in a calendar year. It is the contractor's responsibility to determine if filing is necessary. Failure to so file can result in the imposition of financial penalties by ELEC.

5. Requirements of N.J.S.A. 52:34-13.2 Pursuant to N.J.S.A. 52:34-13.2, effective August 3, 2005, all NJEIT contracts primarily for the performance of services shall specify that all services performed under the contract or under any subcontract awarded under the contract shall be performed within the United States, unless (i) the contracting officer of the NJEIT certifies in writing a finding that the required services cannot be provided by a contractor or subcontractor within the United States and the certification is approved by the NJEIT or (ii) the contracting officer of the NJEIT certifies in writing a finding that inclusion in the contract of such a provision would violate the terms, conditions or limitations of any grant, funding or financial assistance from the federal government or any agency thereof and the certification is approved by the appropriate approval officer.

6. Source Disclosure Requirements All bidders seeking to enter into a contract with the NJEIT in which services are to be performed must disclose the location by country where services under the contract, including subcontracted services under the contract,

will be performed. If any of the services to be performed under the contract cannot be performed within the United States, the bidder shall state with specificity the reason(s) why the services cannot be so performed. The contracting officer of the NJEIT shall determine whether sufficient justification has been provided by the bidder to support a written certification by such officer that the services cannot be performed within the United States and whether to seek the approval of such certification by the Audit Committee of the NJEIT or other appropriate approval officer. Accordingly, the bidder should submit with its bid proposal the attached Source Disclosure Certification Form. **(Exhibit F)**

7. Contractor's Insurance

7.1 Any insurance company providing coverage must be authorized to do business in the State of New Jersey. The contractor shall not commence work under this contract, until the contractor has obtained all insurance required under this paragraph and such insurance has been approved by the NJEIT, nor shall the Contractor allow any subcontractor to commence work, in his/her subcontract until all similar insurance required of the subcontractor has been so obtained and approved.

7.2 Insurance coverage shall remain in effect during the contract period. The Contractor shall furnish the NJEIT with proof of Insurance by execution of the Certificate of Insurance, of which a copy is included herein. The NJEIT shall be named additional insured. The Contractor's insurance shall apply to and provide coverage for all subcontractors and/or suppliers unless the Contractor forwards to the NJEIT the Certificate of Insurance for the subcontractor and/or supplier. The Contractor shall give the NJEIT 30 days written notice of any material change in, cancellation of, or expiration of the policies.

7.3 Certificates of the Required Insurance Certificates as listed below shall be submitted along with the contract as evidence covering Comprehensive General Liability, Comprehensive Automobile Liability, and where applicable, necessary Workers' Compensation and Employers' Liability Insurance. Such coverage shall be with acceptable insurance companies operating on an admitted basis in the State of New Jersey and shall name the NJEIT as an additional insured. The following types of insurance are required:

1. General Liability Insurance. This insurance shall have limits of not less than **\$1,000,000.00** any one person and **\$1,000,000.00** any one accident for bodily injury and **\$2,000,000.00** aggregate for property damage, and shall be maintained in force during the life of this contract by the bidder.

2. Automobile Liability Insurance. This insurance covering bidder for claims arising from owned, hired and non-owned vehicles with limits of not less than **\$1,000,000** any one person and **\$1,000,000** any one accident for bodily injury and **\$1,000,000** each accident for property damage, shall be maintained in force during the life of this contract by the bidder.

3. Excess Liability

4. **Workers' Compensation and Employers' Liability.** This insurance shall be maintained in force during the life of this contract by the bidder covering all employees engaged in performance of this contract in accordance with the applicable statute. Minimum Employers' Liability **\$1,000,000.00.**

8. **Applicable Law.** The Agreement, including this RFP and any and all litigation arising therefrom or related thereto shall be governed by the applicable laws, regulations, and rules of evidence of the State of New Jersey without reference to conflict of law principles. Any litigation arising from this Agreement shall be under the jurisdiction of and filed in Mercer County, New Jersey.

9. **Claims.** All claims asserted against the NJEIT by any Bidder or Contractor shall be subject to the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq., and the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq.

Attachments

Exhibit A - NJEIT Investment Policy

Exhibit B - Form of Contract for Investment Advisory Services

Exhibit C - Stockholder Disclosure Form

Exhibit D - Public Law 2005, Chapter 51 form (formerly Executive Order 134)

Exhibit E - Public Law 2005, Chapter 271 form

Exhibit F - N.J.S.A. 52:34-13.2 Source Disclosure Certification Form

Exhibit G - N.J.S.A. 52:34-12 Form

Appointment of the Investment Advisor by the NJEIT is contingent upon the execution of an Agreement for Services.

Acceptance Period

Proposals in response to this Request for Proposals must be valid for a period of no less than ninety (90) days from the closing date.

Submittal Requirements

Six copies of your response should be sent to John G. Hansbury, Jr. Chief Budget Officer, New Jersey Environmental Infrastructure Trust.

Location: 3131 Princeton Pike, Building #6-Suite 201, Lawrenceville, New Jersey 08648.

All proposals must be received by 12:00 Noon, May , 2012. Proposals received after this date and time will not receive further consideration. If it is necessary to interview one or more firms, the interview will take place on during the week of June 1st, 2010. You will be notified if your firm needs to appear.

The NJEIT reserves the right; 1) to reject any and all proposals or 2) to waive any informalities or irregularities therein. The award will be made to the firm whose appointment as Investment Advisor is deemed to be in the best interest of the NJEIT and the State.

Dated: April ____, 2012

