

**CONNECTICUT STATE TREASURER'S OFFICE  
TRUSTEE FOR  
CONNECTICUT HIGHER EDUCATION TRUST (CHET)**

**REQUEST FOR PROPOSALS (RFP)**

**FOR  
QUALIFIED TUITION SAVINGS PROGRAM SERVICES**

**DEADLINE FOR SUBMISSIONS OF PROPOSALS:  
July 15, 2009 - 5:00 P.M. Eastern Time**

## CHET RFP

### TABLE OF CONTENTS

	<u>PAGE #</u>
1. OVERVIEW	1
2. BACKGROUND	1
3. GENERAL REQUIREMENTS	3
4. BIDDERS MINIMUM QUALIFICATIONS	4
5. SCOPE OF WORK	5
6. SCOPE OF WORK – DIRECT AND ADVISOR	15
7. INSTRUCTIONS	16
8. THE PROPOSAL	19
9. EVALUATION CRITERIA AND SELECTION PROCEDURE	25
10. RFP CONDITIONS	27
	<u>PAGE #</u>
EXHIBIT A – MANAGEMENT AGREEMENT	30 - 76
EXHIBIT B – PRICING SCHEDULE	77 - 80
EXHIBIT C – LEGAL AND POLICY (Attachments A – L)	81 - 105
PRIOR TO COMPLETING THESE ATTACHMENTS, PLEASE REFER TO DIRECTIONS FOLLOWING ATTACHMENT L	106 - 109

## 1. OVERVIEW

The Treasurer of the State of Connecticut, as Trustee for the Connecticut Higher Education Trust (CHET), requests sealed proposals (Proposals) from qualified financial services companies to serve as program manager (Program Manager) for Connecticut's College Savings Program (Program). The Treasurer seeks Proposals from firms or groups of firms interested in providing program management services for a 529 college savings plan (529 Plan) offered directly to the public (the "Direct Plan").

The primary focus of the RFP is the Direct Plan, but the Treasurer is also soliciting Proposals from firms or groups of firms interested in providing program management services directly to the public and through financial professionals (the "Direct and Advisor Plan").

Therefore, please note the following:

Bidders may submit Proposals for program management services for (1) the Direct Plan or (2) the Direct and Advisor Plan.

Bidders who only provide Direct 529 Plan services or Advisor 529 Plan services may partner with other firms to submit a bid for the Direct and Advisor Plan.

Each plan proposed must offer a reasonable choice of investment options for investors with reasonable fees.

With respect to marketing, each plan proposed should focus advertising and planning on the dissemination of information about the Program throughout the State of Connecticut, reaching both rural and urban environments and the full spectrum of socio-economic groups, including non-traditional investors. This includes outreach relationships throughout the State with interested organizations and constituent bodies, such as public and private schools (K-12), school districts, Parent-Teacher Organizations, hospitals, and similar entities, and payroll deduction programs for employers or employer groups. Outreach to low and moderate income families is a primary objective for the CHET program and plans and strategies in this regard should be specifically highlighted.

**SUBMISSION DEADLINE: Proposals must be received by 5:00 p.m. on July 15, 2009 at the Office of the State Treasurer, 55 Elm Street, 7th Floor, Hartford, CT 06106, Attention: PAMELA BARTOL, Assistant Investment Officer for Policy.**

## 2. BACKGROUND

The Program was authorized by the Connecticut General Assembly in 1997, and began operations in 1998. Authorization is codified in Sections 3-22f to 3-22o of the Connecticut General Statutes (as the same may be amended from time to time, the "Statute"). The Statute authorizes the Treasurer to establish and maintain the Program in a manner consistent with Section 529 of the Internal

Revenue Code ("IRC"). The Treasurer is the trustee for the Program. Under the Statute, the Treasurer may enter into any contracts or agreements for the services of public and private financial institutions, depositories, consultants, investment advisors, managers and third-party administrators necessary or desirable to carry out the Statute. The Program must be administered as a "qualified state tuition program" under Section 529 of the IRC.

The Statute establishes an Advisory Council to the Treasurer, which meets at least once a year and consists of representatives of public and private higher education in Connecticut and legislative designees.

The Treasurer and the State Board of Higher Education are required to file a joint annual report with the Governor and the General Assembly.

The State of Connecticut has not appropriated funds for the Program and it is not contemplated that any funds will be appropriated for Program expenses. In addition, the Treasurer does not have State employees dedicated exclusively to the Program. Instead, the Treasurer uses consultants and advisors as necessary to assist in her administrative and fiduciary duties.

The Program is currently offered as a direct sold plan ("Current CHET Plan,"). CHET currently offers eight (8) no-load investment options and is managed and distributed by TIAA CREF ("the incumbent"). Record keeping services are provided by Boston Financial Data Services (BFDS) on behalf of the incumbent. As of April 30, 2009, CHET had total assets of \$1,001,140,647 in 85,763 accounts.

The State of Connecticut offers a state tax deduction for contributions to CHET. The amount contributed by a Connecticut taxpayer to CHET accounts during a tax year is deductible from Connecticut adjusted gross income in an amount not to exceed \$5,000 for a single return or \$10,000 for a joint return for that tax year.

The current contract with the incumbent, as amended, expires on March 13, 2010. The Treasurer anticipates reaching a decision and awarding a contract by mid-September 2009, and executing the contract by mid-November 2009, with a contract start date of January 4, 2010. January 4 through March 13, 2010 shall be referred to as the "transition period."

If a firm other than the incumbent is the successful Bidder pursuant to this RFP, the Bidder must work cooperatively with the incumbent during any transition period with regard to record keeping, administrative and financial services. While additional contributions will not be made into the Current CHET Plan after the transition, the incumbent will have the right to retain a decreasing amount of assets in the Principal Plus Interest option (as of April 30, 2009, totaling approximately \$ 151 million) over a five-year period in accordance with the requirements of the New York State Insurance Department (Insurance Department). However, the Treasurer will also support negotiations with the incumbent to transfer these assets earlier. All other assets will be transferred to investment options(s) agreed to in the Program Management Agreement.

In the event of a transfer of the assets from the Current CHET Plan to a new plan, the new Program Manager will be responsible for the costs of the system conversion and the transfer of investments to the applicable new investment option(s). The new Program Manager will be responsible for the aggregation of all CHET accounts, including those remaining in the Current CHET Plan, if applicable, and those in the Principal Plus Interest option.

### 3. **GENERAL REQUIREMENTS**

#### 3.1. **Mandatory Contractual Terms.**

By submitting an offer in response to this RFP, a Bidder, if selected for award, will be deemed to have accepted the terms of this RFP and the Agreement which is attached hereto and by this reference incorporated herein as Exhibit A. **Any exceptions to this RFP or the Agreement must be clearly identified in the Executive Summary of the Technical Proposal. A Proposal that takes exception to any of these terms may be rejected.**

#### 3.2. **Agreement Duration.**

The Treasurer is interested in entering into a mutually beneficial long-term relationship with a Program Manager. The Agreement will be for a five (5) year period beginning on or about January 4, 2010 and ending on or about December 31, 2014, with an option on the part of the Treasurer to extend the Agreement for up to an additional five (5) years.

#### 3.3. **Compensation and Payment.**

The Program Manager will be compensated for its services under the Agreement solely through fees collected from Program account owners, consistent with the Bidder's Financial Proposal.

In addition, the Program Manager will pay a portion of fees collected from Program account owners to the Treasurer as Administrative Fees – currently one basis point (0.01%) of total assets. The Program Manager will calculate and deposit the payment for Administrative Fees into an Administrative Account in the Trust by the 10<sup>th</sup> business day of every month for the prior month, to be disbursed at the discretion of the Treasurer to cover administrative expenses associated with the Program not covered by the Agreement.

The Program Manager will not receive additional compensation for miscellaneous charges including, but not limited to, photocopying, postage, telephone, facsimile, shipping/handling and courier/messenger costs between the Program Manager's location(s) and any Treasurer office. This type of administrative/operational expense may not be part of the "Other Costs" referenced in Exhibit B, Pricing Schedule, which is attached hereto and by this reference incorporated herein.

The Program Manager will not receive compensation for travel time or related expenses such as transportation, mileage, parking, etc., for meetings with the Treasurer or any vendors rendering services to the Treasurer and/or the Program Manager. Travel related expense may not be part of the “Other Costs” referenced in Exhibit B, Pricing Schedule.

### **3.4. Bidder Responsibilities.**

The selected Program Manager will be responsible for all products and services required by this RFP. Subcontractors must be identified, and a complete description of their roles relative to the Proposal must be included in the Proposal. The selected Bidder retains responsibility for all work performed by and any deliverables submitted by a subcontractor. If a Bidder that seeks to perform or provide the services required by this RFP is the subsidiary of another entity, all information submitted by the Bidder such as, but not limited to, references and financial reports, will pertain exclusively to the Bidder, unless the parent organization will guarantee the performance of the subsidiary. If applicable, the Bidder’s Proposal must contain an explicit statement that the parent organization will guarantee the performance of the subsidiary.

## **4. BIDDERS MINIMUM QUALIFICATIONS**

Each bidder must clearly state and demonstrate within the Executive Summary of the Technical Proposal that it satisfies the following qualifications:

- 4.1.** Has at least \$5 billion in assets under management;
- 4.2.** Has been in investment services business for at least 10 years;
- 4.3.** Has sufficient capital to assume responsibilities during the transition period and, thereafter, to operate the Program;
- 4.4.** Is rated by two or more nationally recognized rating services within the three highest rating categories for financial condition and operational performance. If the Bidder is privately held and/or has not been rated by a nationally recognized rating service, the Bidder must describe the circumstances under which such ratings have not been conducted. The Bidder shall also describe any alternative financial condition and operational performance measures that it believes will be helpful in considering the minimum qualifications of the Bidder.
- 4.5.** Maintains all applicable federal licenses and registrations necessary to conduct a financial services business (e.g. - registered Investment Advisor, Investment Company and/or Broker/Dealer, as applicable); and

- 4.6.** Is in compliance with or will comply with the Disclosure Principles Statement No. 3 adopted by the College Savings Plans Network (CSPN). This information is available by going to the following website:  
<http://www.collegesavings.org/CSPN%20Disclosure%20Principles%20Statement%20No.%203.pdf>.

If the Bidder is a joint venture, partnership or other consortium of financial services companies, qualifications 4.1 through 4.4 may be satisfied by the members of such venture, partnership or consortium collectively. In addition, experience in the 529 marketplace is preferred, but not mandatory.

## **5. SCOPE OF WORK**

THE SCOPE OF WORK IN SECTION 5 COVERS DIRECT PLAN PROPOSALS, AND DIRECT AND ADVISOR PLAN PROPOSALS – EXCEPT WHERE NOTED.

The scope of this RFP encompasses four (4) primary functional areas: financial services; account administration; marketing; and customer service. Periodic reporting and meetings are also required. Each Proposal shall be comprehensive in scope to cover all required elements.

Bidders are encouraged to pursue business partnerships or joint ventures, if necessary, to create one (or more) comprehensive Proposal(s) that meet all of the goals stated in this RFP.

### **5.1. Financial Services.**

The Program Manager must possess the requisite knowledge and demonstrated previous experience in providing investment management services, including the ability to consistently deliver investment returns that meet or exceed their respective benchmarks over a market cycle.

The Treasurer intends to select one Program Manager but will not rule out multiple vendors in an effort to promote new types of Proposals and choice among portfolio options. The foregoing notwithstanding, ease of understanding among the investment choices is a top priority. In addition, if in the Treasurer's discretion, no Proposal satisfactorily addresses all required elements, this solicitation may result in multiple contract awards.

The following are features of the current Program:

Minimum Contribution:      \$25 minimum initial contribution per investment option  
OR  
\$15 per pay period per investment option if  
contribution is through employer payroll deduction.

- Maximum Contribution: Currently, additional contributions cannot be made (1) to any account with an account balance of \$300,000 or more, or (2) in the case where an individual is a beneficiary of multiple accounts, to any account benefiting such beneficiary where the aggregate account balances total \$300,000 or more.
- Expense Ratio: Total expense ratio is .65%.
- Investment Options: CHET currently offers eight (8) investment options: (see [www.aboutchet.com](http://www.aboutchet.com) for more detailed descriptions).
- ◆ Managed Allocation Option
  - ◆ Aggressive Managed Allocation Option
  - ◆ High Equity Option
  - ◆ 100% Equity Index Option
  - ◆ Social Choice Option
  - ◆ 100% Fixed-Income Option
  - ◆ Principal Plus Interest Option
  - ◆ Money Market Option
- Enrollment/  
Administrative Fee: Currently, no enrollment fee or annual administrative fee is charged for CHET.

The Bidder must propose the specific initial asset allocation that would comprise each of the managed allocation plans and the individual investment options proposed. In addition to the initial asset allocation, the Bidder will provide the expected roll down for each of the managed allocation funds. As part of its discussion of asset allocation, the Bidder should discuss its philosophy regarding which asset classes should be included and why asset classes (if any) have been excluded. Each bidder is required to submit performance information with respect to each proposed investment option, its capital market assumptions over the next market cycle, its assumptions about education inflation and a probability analysis that the managed allocation plan(s) will keep pace with education inflation. In addition, the Bidder should address how it will approach liquidity in the managed allocation and stable value options.

The Treasurer reserves the right to approve the Program Manager's recommended investment options and asset allocations, and each Bidder should describe the process and how often it intends to conduct asset allocation and other investment vehicle reviews.

If the Bidder is not the incumbent, then it must provide appropriate and suitable investments for the transfer of current account investments in the current CHET Plan. The Bidder should discuss its philosophy regarding the Principal Plus Interest Option and how it will incorporate such an option within its fund line-up.



Bidder must describe its due diligence process regarding selection and monitoring of the proposed investment vehicle(s). If relevant, provide an example or two of, and rationale for, a recent change in an investment vehicle as a result of your due diligence.

On at least a quarterly basis, and more frequently as necessary, the Program Manager must inform the Treasurer about significant changes in the investment climate, market conditions or investment philosophies that could affect Program investments.

Bidders may propose a Direct and Advisor Plan, the Advisor portion of which would be distributed directly by brokers and dealers. Bidders proposing a Direct and Advisor Plan must follow the parameters outlined in Sections 5 and 6 of this RFP. Fees for the Advisor portion of the Direct and Advisor Plan shall be paid only by participants in the Advisor Plan and no portion of any fees paid by participants in the Direct Plan shall be used to compensate broker/dealers. Any additional fees necessary to recover broker commissions must be specified in Exhibit B.

**A Direct Plan shall continue to be offered and no person interested in the Program shall be required to use a broker/dealer.**

## **5.2. Account Administration.**

The Program Manager must possess the requisite knowledge and demonstrated previous experience in administering investment accounts, including the ability to deliver performance standards outlined below.

- (a) The Bidder must submit as part of the Technical Proposal a plan for the establishment and maintenance of accounts, as well as all aspects of customer service to existing and prospective Program account owners. CHET accounts are currently administered through the Boston Financial Deposit Systems (“BFDS”) system. Continued use of BFDS is permissible, but is not required.

Proposals to utilize a system other than BFDS will include, at a minimum, descriptions of:

- ◆ The proposed system, the number of accounts currently administered on this system, the approximate dollar value of such accounts, and the frequency and volume of individual transactions that are processed on a daily and weekly basis.
- ◆ The reliability and integrity history, other market experience and uses of the proposed system.
- ◆ Plans and procedures for accepting and processing new enrollments, maintaining individual accounts, including making

changes to accounts, posting contributions (including payroll and EFT transactions), and ensuring that the current accumulated contributions and net asset value for each account owner and beneficiary are available on a daily basis.

- ◆ Online access capabilities to the account administration system.
  - ◆ If applicable, the Bidder's ability to coordinate all facets of account administration for a Direct and Advisor Plan. Issues such as maximum contributions, distributions, and rollovers should be addressed.
- (b) The Proposal must also address competence standards for all facets of account administration. These standards will include at a minimum:
- ◆ Procedures for requests to change accounts, including quality controls; and
  - ◆ Availability of live customer service representatives for both sales and service (number of representatives, hours during the day, days per year, online customer service) and access to electronic customer service at all other times.
- (c) The Program Manager must provide for Direct Sold Program enrollment online and through a central mailing location using a Connecticut address that can receive express deliveries by normal U.S. postal services. For Direct Plans only, the Proposal must address the location of the employees providing customer service and the installation of communications facilities that connect the Bidder's work site to the servers necessary to access customer accounts.
- (d) The Program Manager must process all contributions and withdrawals, maintain all records and comply with all tax and securities laws as required under Section 529 of the IRC and federal and state securities regulations, and comply with all guidelines established by CSPN and any performance criteria that are established by the Treasurer and become part of the Agreement. Responsibilities include aggregation of accounts for federal tax law purposes, having audits conducted annually and the provision of reporting information as requested by the Treasurer for the preparation of the annual report required under Section 3-22k of the Connecticut General Statutes ("CGS").

In addition, all Bidders must include:

- ◆ An explanation of the Bidder's account administration experience specifically for Section 529 Plans.
  - ◆ Procedures for generating account statements and reports. Include information regarding format, frequency, transmittal methods, customization, joint account statement options, etc. and any available sample reports.
- (e) Bidders shall also include, as part of their Plan of Service, a disaster recovery plan describing in detail, how services will be resumed within twenty-four (24) hours of a disaster.

Additional service requirements are listed under Section 5.4, Customer Service.

### **5.3. Marketing.**

(a) General Requirements

The Program Manager must possess the requisite knowledge and demonstrated experience in marketing investment products – preferably Section 529 Plans – to motivate and assist families in investing for future college expenses.

Marketing efforts include advertising (television, radio, print), preparation and dissemination of marketing materials (enrollment kits and brochures), a toll-free number and website, and face-to-face marketing (group presentations, event marketing). This allows prospective account owners to choose the plan(s) that best suit their specific needs and will also facilitate cross-selling opportunities between more than one plan (if the Treasurer chooses to offer a Direct and Advisor Plan). Marketing should be conducted year-round.

General Requirements include:

- ◆ The Program Manager will work with the Treasurer on all aspects of the marketing and public relations campaigns undertaken. The Treasurer will have final approval of all marketing and public relations decisions.
- ◆ The Program Manager will be required to pay 100% of the marketing costs associated with the marketing efforts.
- ◆ Each Proposal must contain a marketing plan addressing specifics as outlined in Section 5.3(b) of this RFP.

- ◆ The Program's web site will, at all times, be the primary source of detailed information regarding the Program. Any inquiries made on the Bidder's web site about the Program must be linked directly to the Program's web site.

(b) Specific Requirements

- ◆ The Bidder must present marketing strategies to be utilized for Connecticut families.
- ◆ The Bidder will outline existing relationships that it has with companies or firms that provide consulting or other marketing services that are expected to contribute in any way to the marketing of the Program.
- ◆ The Bidder will provide samples of marketing and disclosure information that it currently uses. The Bidder will outline the steps it will take to separate the marketing message of the Program and any other Section 529 Plans it administers when marketing in Connecticut to ensure that the Program will be the only 529 Plan in the Bidder's marketing strategies in the State of Connecticut.
- ◆ The Bidder will outline the steps it will take to separate the marketing message of the Program from other Bidder-administered Section 529 Plans outside of Connecticut.
- ◆ The Bidder must describe any agreements it or any of its affiliates has with other states regarding the marketing of Section 529 Plans around the country and the marketing of other Section 529 Plans in any such plan's home state.
- ◆ Web Site – The Bidder will describe its ability to develop and maintain the Program web site ([www.aboutchet.com](http://www.aboutchet.com)) and describe its maintenance and intended references to the Program on the Bidder's web site.
- ◆ Bidder will describe its marketing plan in relation to promoting a CHET payroll deduction to Connecticut employers, including the State of Connecticut.
- ◆ Describe any products that Bidder currently offers to State of Connecticut residents that compete or potentially could compete with the Program. Indicate whether the Bidder would agree to contract with the Treasurer to refrain from directly or indirectly offering any competing product for so long as Bidder is providing services to the Program. If Bidder would not agree to contract to refrain from offering any competing product, explain

how Bidder's offering of one or more competing products can be done consistently with an obligation to aggressively and effectively market and administer the Program.

- ◆ CHET values and currently supports scholarship programs in Connecticut. Please explain how the Bidder would propose to support scholarship programs and specify the level of funding the Bidder would commit to fund scholarship programs each year of the contract.

#### **5.4. Customer Service.**

The Program Manager must possess the requisite knowledge and demonstrated experience in providing customer service for Section 529 Plans or similar products in a manner that substantially meets the performance guidelines specified in this section below.

For Direct Plans only, the Program Manager's customer service plan shall be capable of responding to telephone and online inquiries from prospective participants, answering questions they may have about the Program and taking their names and addresses to send them information. Live customer service representatives must be available to answer questions about the Program from at least 8:00 am to 7:00 pm Eastern Time, Monday through Friday, except State holidays. Customer service representatives shall be trained by the Program Manager using materials approved in advance by the Treasurer. An automated voice response unit and/or internet servicing access must be available at all other times.

The Bidder will provide the Treasurer with contingency plans or emergency plans for days and/or times when the call volume may exceed the successful Bidder's ability to handle the calls quickly and expeditiously. The Bidder will also provide the Treasurer with any contingency plans for handling telephone calls from hearing impaired and non-English speaking callers.

When calling the toll-free number for the Program, a prospective customer will have several options through a voice mail menu. For example, they can listen to a prerecorded message that provides a general overview about the Program (approved by the Treasurer and the Program Manager). One option shall be access to a customer service representative at the office of the Program Manager to answer questions about the Program. The Bidder will outline the ability of its customer service representatives to transfer to the Direct Plan or Direct and Advisor Plan, as applicable. For the Advisor sold portion of a Direct and Advisor Plan, the toll-free number can direct a prospective participant to the appropriate investment advisor. Any cost to modify the Program's existing toll-free number will be the responsibility of the Program Manager.

The Bidder will outline procedures for responding to verbal, written, and online inquiries or complaints about the Program.

The Bidder will describe its policies and procedures for transmitting and sharing databases of callers to and with the Program, as well as ensuring the confidentiality of the database.

The Bidder will include in the discussion the steps that will be taken to ensure that the Program database is not combined with other databases maintained by the Bidder.

The Bidder will outline procedures for the production and distribution of quarterly statements to account owners.

The Bidder will disclose service levels achieved for Section 529 Plans currently under management and/or similar programs. The Bidder should use the service levels contained in Section 5.4(b) as a guide, provide anticipated service levels for each measure listed, and describe the Bidder's resources available for the Program.

(a) Specific Customer Service Requirements:

- ◆ Maintain a database of inbound callers seeking enrollment materials, including information such as:
  - Caller's name, address and telephone number
  - County of residence (Connecticut callers only)
  - Number of children and ages
  - Where the caller heard about the Program – radio, newspaper, friend, etc.
- ◆ Provide the Treasurer with a monthly report monitoring daily call volumes, call durations, time of calls, hold time, and abandoned calls.
- ◆ Update or change prerecorded messages, question and answer scripts, and training scripts when required or needed throughout the year using scripts approved by the Treasurer.
- ◆ Provide a means for all participants to express concerns, comments or complaints regarding CHET. Create and maintain a web site and toll-free voice response unit for customer service inquiries, account balance information, enrollment, and withdrawal and marketing requests.

- ◆ Provide a means for participants to contribute to their CHET accounts through the workplace (via payroll deduction).
  - ◆ Agree to maintain the confidentiality of all participant and beneficiary information.
- (b) Specific Service Level Requirements:
- (i) Bidder will describe its policies and procedures in place to meet the following service level requirements. To the extent that bidder's service level requirements are different, state the service levels you propose.
    - ◆ Telephone Inquiries
      - Abandonment Rate – less than 2%
      - Percent of Calls Answered within 30 seconds – 90%
    - ◆ Correspondence:
      - Financial Correspondence Timeliness – 99% of financially related correspondence are sent within 2 business days of receipt of the request.
      - Non-Financial Correspondence Timeliness – 99% of non-financial correspondence are sent within 7 business days of receipt of the request.
    - ◆ Check Processing:
      - Accuracy of Posting Payment – 99% of checks received are accurately posted to a matching account with the correct amount and with the day of receipt's trade date.
      - Check Posting Timeliness – 99% of the checks are posted to the Account Owner's account by the day after receipt.
    - ◆ Confirmations, Statements, Tax Reporting:
      - Timeliness of Monthly, Quarterly and Year-End Account Owner Statements – 99% are mailed within 10 business days of the end of the reporting period.
      - Timeliness of Daily Confirmations – 99% of daily confirmations are mailed within 5 business days.

- Accuracy of Confirmations, Statements and Tax Reports – 99% of confirmations, statements and tax reports are accurate.
  - Timeliness of Tax Reporting – 99% of federal tax reports are mailed on the agreed-to date.
- (ii) The Program Manager shall be required to conduct an audit to determine compliance with the service levels (1) within 3 months following the first anniversary of the contract start date, (2) in the final year of the initial contract term, but no later than six months prior to the end of the contract term, and (3) upon the reasonable request of the Treasurer in response to significant complaints of non-compliance with service levels. The results of all such audits shall be provided in a written report to the Treasurer no later than two weeks following completion of the audit. If the Program Management Agreement is extended, service level audits shall be required, on the same time frame and conditions as provided for the initial contract term.

## **5.5. Reports.**

The Program Manager will generate reports to evaluate the effectiveness of all aspects of the services required by this RFP. Such reports will be produced individually or combined and will be provided to the Treasurer. Reports will include, at a minimum:

- ◆ Performance of all investment options as compared to their benchmarks;
- ◆ Amount of assets and number of funded accounts by investment option;
- ◆ Number of account owners and beneficiaries;
- ◆ Call volumes and financial and non-financial transactions;
- ◆ Such other information as the Treasurer may request to monitor and control this Agreement.

Performance information will be provided to the Treasurer at least quarterly. All other information will be provided on a monthly basis. The Program Manager must attend all regularly scheduled meetings with Treasury staff to review the services to be provided under the Agreement.



## **5.6. Transition.**

The Treasurer's contract with incumbent expires on March 13, 2010. If the Treasurer awards a contract under this solicitation to a Bidder other than the incumbent the new Program Manager will begin providing services outlined in this Section 5, no later than March 13, 2010.

Bidder will submit a plan to describe the transition of services that will occur during the transition period. Excluding the potential for a five year transition of the Program assets held in the Principal Plus Interest option, the transition planning and execution would then occur from January 4, 2010 through March 13, 2010 (or until such time as the transition is complete) to ensure proper transfer of all services.

Bidder shall also submit a plan describing how it will handle transition to a successor Program Manager at the end of its contract term.

## **6. SCOPE OF WORK – DIRECT & ADVISOR PLAN**

Each of the services outlined under Section 5 above also apply to the Advisor sold portion of the Direct and Advisor Plan. In addition to such services, the Advisor sold portion of the Direct and Advisor Plan must include the following services.

### **6.1. General.**

Services include third party account administration, broad channel distribution, broad-based marketing and high quality customer support. These efforts should be designed to reach the broadest segments of the Connecticut population by using multiple financial intermediaries. The Program Manager shall develop fee structures that appeal to a variety of distributors while also maintaining a reasonable cost structure for Connecticut residents.

### **6.2. Financial Services.**

For Direct and Advisor Plans only, the Program Manager must design distinct investment options for each of the direct sold portion and the Advisor sold portion of the Direct and Advisor Plan.

### **6.3. Marketing.**

The Program Manager must provide all necessary tools, literature, and support services for the distribution of the Advisor sold portion of the Direct and Advisor Plan by the broadest possible group of financial intermediaries. This will include a training program and related information materials concerning potential risks associated with the Advisor sold portion of the Direct and Advisor Plan.

Within the State, the Program Manager must include prominently in its disclosure materials the availability of the Direct Plan as an alternative 529 investment option. Direct Plan disclosure materials will also include the availability of an Advisor sold portion through financial intermediaries and other professionals. Language and placement within disclosure and other enrollment materials shall be subject to approval by the Board.

**6.4. Record keeping.**

The Program Manager will provide a means to make commission and other sales-related payments to third party financial intermediaries in an efficient manner and shall keep complete and accurate records of such payments.

**7. INSTRUCTIONS**

**7.1. Official Agency Contact.**

All communications with the Office of the State Treasurer must be directed to the Official Agency Contact. The Official Agency Contact for the purposes of this RFP is Pamela Bartol, Assistant Investment Officer for Policy who may be reached via e-mail at [pamela.bartol@ct.gov](mailto:pamela.bartol@ct.gov), by phone at (860) 702-3278, or by fax at (860) 524-9470.

**7.2. Bidder's Representatives.**

Bidders must designate an authorized representative and one alternate. Provide the name, title, address, telephone and fax numbers, and e-mail address for each representative.

**7.3. Communications Notice.**

All communications with the agency or any person representing this agency concerning this RFP are strictly prohibited, except as permitted by this RFP. Any violation of this prohibition by Bidders or their representatives may result in disqualification or other sanctions, or both.

**7.4. RFP Timeline (Schedule of Events).**

The following timeline, up to and including the Deadline for Submitting Proposals, shall be changed only by an amendment to this RFP. Dates after the Deadline for Submitting Proposals are target dates only.

June 15, 2009	RFP Released
June 25, 2009, 5:00 p.m. (EDT)	Deadline for Questions
July 1, 2009	Official Answers Released
July 15, 2009, 5:00 p.m. (EDT)	Deadline for Submitting Proposals
August 3 – 14, 2009	Meetings/Interviews with Bidders (Tentative)
September 15, 2009	Program Manager Selection

September 16, 2009  
November 15, 2009  
January 4, 2010

Start of Contract Negotiations  
Contract signed  
Start of Contract

### **7.5. Inquiry Procedures.**

Bidders may submit questions about the RFP to the Official Agency Contact on or before June 25, 2009. Questions must be in writing and submitted by US mail, facsimile, or e-mail. Questions will not be accepted over the telephone. Anonymous questions will not be answered. The agency reserves the right to provide a combined answer to similar questions. The agency will distribute official answers to the questions, not later than July 1, 2009, by posting such answers on the agency's web site. Any and all amendments to this RFP will be posted by July 1, 2009 on the agency's website at [www.state.ct.us/ott](http://www.state.ct.us/ott).

### **7.6. Confidential Information.**

Bidders are advised that the Office of the Treasurer is a constitutional office of the State of Connecticut and its records, including responses to this RFP, are public record.

Information in a response that is deemed by the proposing Bidder to be confidential and proprietary should be clearly identified. Bidders should also provide justification as to why such information should not be disclosed by the Office of the Treasurer pursuant to the State's Freedom of Information Act.

All responses to this RFP shall become the property of the Treasurer and will be kept confidential until such time as recommendation for award of a contract has been announced. Thereafter, submissions are subject to public inspection and disclosure under the State of Connecticut Freedom of Information Act, Connecticut General Statutes Sections 1-200 et seq., as may be amended from time to time ("FOIA").

If a Bidder in good faith believes that any portion of its submission is exempt from public disclosure, then, in order to maintain confidentiality, (i) the Bidder should include an explanation containing the precise statutory basis for such exemption from disclosure under FOIA and (ii) such portion should be clearly marked "Confidential." The Treasurer will use reasonable means to ensure that such confidential information is safeguarded but will not be held liable for any inadvertent or intentional disclosure of such information, materials or data. Submissions marked as "Confidential" in their entirety will not be honored as such and the Treasurer will not deny public disclosure of all or any part of such submissions so marked. Only information marked "Confidential" that is accompanied with a precise statutory basis for such exemption under FOIA shall be safeguarded.

By submitting information with portions marked as “Confidential,” the Bidder (i) represents that it has a good faith reasonable belief that such information is exempt from disclosure under FOIA pursuant to the precise statutory basis for such exemption, and (ii) agrees to reimburse the Treasurer for, and to indemnify, defend and hold harmless the Treasurer, its officers, fiduciaries, employees and agents from and against, any and all claims, damages, losses, liabilities, suits, judgments, fines, penalties, costs and expenses including, without limitation, attorneys’ fees, expenses and court costs of any nature whatsoever arising from or relating to the Treasurer’s non-disclosure of any such designated portions of a proposal if disclosure is deemed required by law or court order.

**7.7. Minimum Submission Requirements.**

At a minimum, proposals must (1) be submitted before the deadline, (2) follow the required format, (3) satisfy the packaging and labeling requirements, (4) be complete, and (5) include the required Attachments. Proposals that fail to meet these minimum submission requirements may be disqualified and not reviewed further.

**7.8. Affirmations Concerning Contract and Conditions.**

Include a written statement that the Bidder has read and accepts the RFP’s conditions, the agency’s standard contract and conditions (Exhibit A), and the State’s contract compliance requirements in their entirety and without amendment, except as specifically noted in the Executive Summary. The statement must be signed by the Bidder.

**7.9. Legal and Policy Attachments.**

Complete all Legal and Policy Attachments in accordance with the directions provided. Failure to complete the Legal and Policy Attachments may result in the Proposal not being reviewed.

**7.10. Contract Compliance Requirements.**

The State of Connecticut is an Equal Opportunity and Affirmative Action employer and does not discriminate in its hiring, employment, or business practices. The State is committed to complying with the Americans with Disabilities Act of 1990 (ADA) and does not discriminate on the basis of disability, in admission to, access to, or operation of its programs, services, or activities.

The Treasurer is required to consider the following factors in considering the Bidder’s qualifications: (1) success in implementing an affirmative action plan; (2) promise to develop and implement a successful affirmative action plan; (3) submission of bidder employment information indicating that the composition of the Bidder’s workforce is at or near parity in the

relevant labor market area; or (4) promise to set aside a portion of the contract for legitimate minority business enterprises.

**7.11. Consultants.**

Any Bidder that has entered into any consulting agreements whereby the duties of the consultant include communications concerning business of the Office of the State Treasurer, whether or not direct contact with the agency, any agency or public official or state employee was expected or made, must disclose such consulting agreements in the **Affidavit of Third Party Fees and Disclosure of Consulting Agreements, Attachment D** of the Legal and Policy Attachments. The selected vendor will be required to provide an updated disclosure at the time the contract is executed. See the **Directions** accompanying the **Legal and Policy Attachments** for instructions.

**7.12. Meetings with Bidders.**

At its discretion, the agency may convene meetings with Bidders in order to gain a fuller understanding of the proposals. The meetings may involve interviews, presentations, or site visits. If the agency decides meetings are warranted, the Official Agency Contact will telephone Bidders to make an appointment. Any such meetings are tentatively scheduled for August 3-14, 2009.

**8. THE PROPOSAL**

**8.1. Two Part Submission.**

Proposals must be submitted in two separate parts:

Volume I	TECHNICAL PROPOSAL, and
Volume II	FINANCIAL PROPOSAL

An unbound original (clearly identified as such), ten (10) copies and one copy in PDF format on a CD-R disk of each Bidder's Proposal are to be submitted. All Bids must be submitted to:

Treasurer, State of Connecticut  
55 Elm Street  
Hartford, CT 06106  
Attention: Pamela Bartol, Assistant Investment Officer for Policy

***NO FACSIMILE (FAX), OR OTHER ELECTRONICALLY TRANSMITTED PROPOSALS WILL BE ACCEPTED.***

Bidders shall submit each Proposal in a separate package, containing both Technical Proposal (Volume I) and the Financial Proposal (Volume II). Each sealed package must bear this RFP title, name and address of

the Bidder, and the closing date and time for receipt of the Proposals on the outside of the package.

All Proposals shall be (1) be word processed or typewritten, (2) use font size of not less than 12 points, and (3) display the Bidder's name on the header of each page.

**All pages of each Proposal volume must be consecutively numbered from beginning to end and should follow the same format as this RFP.**

## **8.2. Preparation Instructions.**

The Bidder's Proposal should address all points and questions outlined in this RFP. It should be clear and precise in response to the information and requirements set forth and follow the format described in this RFP.

## **8.3. Transmittal Letter.**

The proposal should contain a transmittal letter with the following information:

a) Contact Information

- 1) Name of Bidder
- 2) Business Location
- 3) Mailing Address
- 4) Telephone Number
- 5) E-mail Address

b) Bidder's Representatives

The Bidder must designate an authorized representative and one alternate who may speak and act on behalf of the Bidder in all dealings with the agency, if necessary. Provide the following information for each individual.

- 1) Names and Titles
- 2) Telephone Numbers

c) A statement that the Bidder has the capability to provide the requested services.

d) A statement that the Bidder meets the minimum qualifications set out in Section 4. If a Bidder does not meet any of the minimum qualifications, they must identify which qualification(s) they do not meet and make a detailed case as to why the Treasurer should consider their firm and their product.

- e) A statement that the Bidder has thoroughly reviewed the RFP and acknowledges and accepts all terms and conditions included in the RFP.
- f) Include a statement that the Bidder has read and accepts the agency's standard contract and conditions in their entirety and without amendment or has submitted proposed revisions.

The cover letter must be signed by a person authorized to bind the firm to all commitments made in its proposal. Unsigned proposals will be rejected.

#### **8.4. Proposal Contents VOLUME I—TECHNICAL PROPOSAL.**

The Technical Proposal must include a Table of Contents and an Executive Summary. The Executive Summary should clearly demonstrate that the Bidder has an understanding of the objectives and goals of the Treasurer in this RFP, and an understanding of the scope of work. This Summary must clearly state and demonstrate the minimum qualifications as listed in Section 4 of this RFP. It should also contain a brief synopsis of the contents of the entire Proposal as well as include an analysis of the effort and resources that will be needed to realize the objectives of this RFP. The Executive Summary will also identify any exceptions the Bidder has taken to the requirements of this RFP or the Agreement (Exhibit A.) **A Proposal that takes exception to the requirements of this RFP or the Agreement terms may be rejected.**

##### **8.4.1 Plan of Service.**

This section will provide a detailed discussion of the Bidder's service capabilities demonstrating the Bidder's approaches to address the requirements outlined in this RFP. The Plan of Service will fully explain how the proposed services will satisfy each requirement listed in this RFP (Section 5 - Scope of Work and Section 6 –Scope of Work- Direct and Advisor Plan, if applicable). It should indicate all significant capabilities or issues that will be examined to fulfill the scope of work. Bidders must include a transition and management plan to ensure continuity of services currently being provided under the Treasurer's existing contract, and also, a similar plan describing how they would ensure continuity of services when the term of the Agreement concludes. The Plan of Service should be presented in the same numbered order in which the requirements appear in Section 5 and Section 6, if applicable.

The Bidder will propose a staffing plan to provide the services required by this RFP in accordance with all required quality standards and will include resumes for those with principal responsibilities for managing the Program Manager's responsibilities under the Agreement as well as for those with principal responsibilities for each functional area.

Each Bidder should identify any sub-contractors intended to be used in the performance of the Agreement, and the role each proposed sub-contractor will perform in providing the Program services. If the Bidder will use no sub-contractors, so state.

#### **8.4.2 Transition Plan.**

Describe the Bidder's proposed Transition Plan, addressing both transition when commencing services and in the event of termination or at the conclusion of the contract.

#### **8.4.3 Experience and Capabilities.**

Bidder's Minimum Qualifications. In compliance with the minimum qualifications set forth in Section 4, Bidder must:

- ◆ Describe the firm, including who holds controlling interest in the firm. Provide a percentage breakdown of any party having a legal or beneficial interest of greater than five percent (5%). If the firm is employee-owned/controlled, indicate what percentage of the firm's ownership interest employees own.
- ◆ Discuss organizational structure, including size and location(s), and provide an organizational diagram showing the hierarchical structure of functions and positions within the organization generally, and of the personnel that will be responsible for delivering the services.
- ◆ Discuss whether the Bidder or its parent or affiliate is a registered broker/dealer. Does the Bidder trade in securities with the parent or affiliate; if yes, describe any prescribed systems to avoid conflict of interest.
- ◆ Bidders must provide a statement showing the firm's invested assets under management for each of the past five years. Indicate if mergers or acquisitions influenced any growth in that time.

Capabilities:

Bidder must describe in detail how they possess the following capabilities:

- ◆ Full Service - Bidder must be a financial services firm experienced in all facets of investment management services, provided that, in the case of a joint proposal, at least one party shall satisfy this requirement.



- ◆ Contact Personnel - Bidder must provide a senior level manager who will be responsible for the relationship between the Bidder and the Treasurer. The principal day-to-day contact must also be identified.
- ◆ Project Management Team - Bidders must list its project management team and describe both how the team will interact with the Office of the Treasurer and how the team will accomplish the requirements of this RFP. Please also provide summary resumes for all essential personnel who may provide these services. Their resumes should include past experience servicing similar types of programs and any familiarity with agencies, authorities, and instrumentalities of the State.
- ◆ Discuss whether the Bidder is registered (or is exempt from such registration) under the Investment Advisors Act of 1940 and/or registered or licensed by the U.S. Securities and Exchange Commission, any self-regulatory organization (as such term is defined in §3(a) (26) of the Securities Exchange Act of 1934, as amended); any regulatory agency of any state of the United States; or any U.S. Government department or agency.
- ◆ State whether the Bidder is a licensed member of the Securities Investor Protection Corporation (SIPC). If so, state the amount of SIPC protection the Bidder provides.
- ◆ Describe how the Bidder proposes to properly evaluate the project management team on a continual basis to ensure that quality standards are met. The Program Manager will provide the Treasurer periodic analysis of results of program performance.
- ◆ Connecticut law imposes certain investment restrictions on the Treasurer as fiduciary of state pension plans. See Conn. Gen. Stat. §§3-13h and 3-21e. Although these provisions do not apply to CHET, please describe whether you have the capability to comply with these provisions. Link to statutes: [www.cga.ct.gov/2009/pub/chap032.htm](http://www.cga.ct.gov/2009/pub/chap032.htm).
- ◆ Provide an overview of experience rendering services to other Section 529 Plans, or in offering services similar to those included in Sections 5 (and 6, if applicable) of this RFP. This description must include a summary of the services offered, the number of years the Bidder has provided these services, the number of clients, the size of the programs served, and geographic locations the Bidder currently serves. Provide a list of all states for which Bidder currently provides 529 Plan services.
- ◆ Provide three references that will be applicable to the specific services requested in this RFP. If a Proposal uses a sub-contractor(s), provide three references per sub-contractor. If the Bidder (or a sub-contractor) provides this service or a similar service to another Section 529 Plan –

or a state or municipal government, please use such entities as a reference. References are to include descriptions of:

- The Bidder's ability to manage contracts of comparable size and complexity.
- The quality and breadth of services provided by the Bidder.
- Each client reference is to include the following information:
  - Name of client organization: Name, title, and telephone number of Point of Contact for client organization;
  - Value and type of contract(s) supporting the client organization, the date the work was performed or the duration of contract(s) supporting the client organization, and the service location.
  - If the Bidder is no longer serving this client, provide an explanation of why the Bidder is no longer providing the services to the client organization. The Treasurer will have the right to contact any reference as part of the evaluation and selection process.

#### **8.4.4 Indemnity Insurance.**

Describe the level of worker's compensation insurance, directors and officers' liability insurance, fiduciary professional liability insurance, public liability insurance and fidelity bonds or similar coverage maintained by the Bidder. All such insurance should be provided by insurer(s) rated A-, class X or better by A.M. Best & Company, unless otherwise approved in writing by the Treasurer. If the Bidder is a joint venture, partnership or consortium, each party must meet these criteria.

#### **8.4.5 Financial Capabilities and Statements.**

Bidders must demonstrate financial stability. Technical Proposals must include:

- ◆ Evidence that the Bidder has adequate financial capacity to provide the services.
- ◆ Copies of the last two (2) year-end audited (preferred) financial statements or best available equivalent report.
- ◆ An analysis of those financial statements/reports.

#### **8.4.6 Sub-contractors.**

If any significant portion of the work listed above is not expected to be performed by the Bidder, the Bidder must list any sub-contractors that are proposed to provide the required products and services. Bidders must identify sub-contractors and the role these sub-contractors will have in the performance of the contract. To the extent work is to be performed by sub-contractors, the information requested in sections 8.4.3, 8.4.4, and 8.4.5 shall also be provided for such subcontractors. In addition, the sub-contractors' relevant experience and capabilities should be described.

#### **8.4.7 Compliance.**

Legal and Policy Attachments—Complete the Legal and Policy Attachments in accordance with the Directions. PLEASE NOTE: If you are the selected vendor, you will be required to re-execute Attachment D and a modified Attachment E at the time you execute your contract with the Office of the Treasurer.

#### **8.5. Proposal Contents VOLUME II – Financial Proposal.**

Under separate sealed cover from the Technical Proposal, the Bidder must submit an original and ten (10) copies of the Financial Proposal. The Financial Proposal must contain all cost information in the format specified in Exhibit B.

### **9. EVALUATION CRITERIA AND SELECTION PROCEDURE**

Each Proposal will be evaluated by the Treasurer against the criteria set forth in this Section. Selections will be made on the basis of the quality, responsiveness and cost of each Proposal taken as a whole. The Treasurer reserves the right to award in whole or in part, to reject any and all Proposals in whole or in part, and to waive technical defects, irregularities and omissions in any Proposal if, in its judgment, the best interests of the Program will be served.

#### **9.1. Criteria.**

Bidders will be evaluated against the following criteria on the basis of their written responses to this RFP; additional written information, if any, requested by the Treasurer's Office; references; and oral interviews, if any:

- ◆ The Bidder's financial stability and integrity;
- ◆ The track record of the proposed underlying investments over at least a market cycle;
- ◆ The ability of the Bidder, directly or through a subcontract, to satisfy record keeping and reporting requirements;

- ◆ The Bidder's plan for promoting the Program and the investment it is willing to make to promote the Program;
- ◆ The fees, if any, proposed to be charged to persons for maintaining accounts;
- ◆ The minimum initial deposit and minimum contributions that the Bidder will require and the willingness of the Bidder to accept contributions through payroll deduction plans and other deposit plans;
- ◆ The responsiveness of the Proposal to the Scope of Work in each of the four functional areas;
- ◆ Any other benefits to the State of Connecticut or its residents included in the Proposal, including but not limited to an Administrative Fee (based on basis points or otherwise) payable to the Treasurer by the Bidder for consulting and advisory services and in-state marketing by the Treasurer and its designees;
- ◆ Qualifications of personnel including the experience and availability of the day-to-day personnel servicing the State's business and the breadth, depth and availability of other professionals to provide services to the State. Bidder's demonstrated commitment to understanding and serving client needs and responsiveness to client requests for assistance;
- ◆ Team organization and approach including the ability of the Bidder to adequately staff and complete time-sensitive transactions and to interact effectively with the State personnel;
- ◆ Equal employment opportunity record as evidenced by the composition of Bidder's personnel and the Bidder's affirmative action and equal employment opportunity policies and practices;
- ◆ Corporate Citizenship policies, including the charitable contribution of money and time; local procurement of goods and services; development of and/or participation in internship programs or scholarships; and policies with regard to the use of women-owned, minority-owned and small business enterprises;
- ◆ All other factors being equal, whether any services will be provided out of offices located in the State of Connecticut and the number of Connecticut residents employed in those offices; and
- ◆ Overall compliance with State and federal laws and policies as evidenced in the completion of the Exhibit C - Required Legal and Policy Attachments and the required submissions.

## **9.2. Financial Evaluation.**

Financial Proposals will be evaluated separately. The financial evaluation will be based upon the submission by the Bidder on the Pricing Schedule (Attachment B).

All qualified Bidders will be evaluated based on the following:

- ◆ Weighted average of operating expense ratios for all investment portfolios (this will be the “not to exceed” operating expense ratio indicated in Attachment B)
- ◆ Program Management Fee – this will be averaged over the 5-year contract term if necessary
- ◆ Marketing budget
- ◆ Other Costs – if applicable

Fees and compensation will be an important factor in the evaluation process. The State Treasurer’s Office, however, is not required to select the lowest cost response.

## **10. RFP Conditions**

1. All proposals submitted in response to this RFP will become the sole property of the Office of the State Treasurer.
2. The State Treasurer shall be required, as a part of the procurement process, to certify that the Bidder awarded this contract was not selected as a result of collusion, the giving of a gift or the promise of a gift, compensation, fraud or inappropriate influence from any person. The date planning began for this RFP (for purposes of the Gift Affidavit) is September 1, 2008.
3. The successful Bidder will be required to complete Attachment E of the Legal and Policy Attachments regarding the giving of gifts. The failure to provide such affidavit shall be grounds for disqualification.
4. Any product, whether acceptable or unacceptable, developed under a contract awarded as a result of the RFP will become the sole property of the Office of the State Treasurer.
5. Timing and sequence of events resulting from this RFP will ultimately be determined by the Office of the State Treasurer.
6. The Bidder agrees that the proposal will remain valid for a period of 180 days after the deadline for submission and may be extended beyond that time by mutual agreement.

7. The Office of the State Treasurer may amend or cancel this RFP, prior to the due date and time, if the agency deems it to be necessary, appropriate or otherwise in the best interests of the State. Failure to acknowledge receipt of amendments, in accordance with the instructions contained in the amendments, may result in a proposal not being considered.
8. Any costs and expenses incurred by Bidders in preparing or submitting proposals, including travel expenses incurred to attend Bidders' meetings or interviews are the sole responsibility of the Bidder.
9. No additions or changes to the original proposal will be allowed after submission. While changes are not permitted, clarification of proposals may be required by the Office of the State Treasurer at the Bidder's sole cost and expense.
10. The Bidder represents and warrants that the proposal is not made in connection with any other Bidder and is in all respects fair and without collusion or fraud. The Bidder further represents and warrants that the Bidder did not participate in any part of the RFP development process, had no knowledge of the specific contents of the RFP prior to its issuance, and that no agent, representative or employee of the Office of the State Treasurer participated directly in the Bidder's proposal preparation.
11. All responses to the RFP must conform to instruction. Failure to include any required signatures, provide the required number of copies, to meet deadlines, answer all questions, follow the required format, or failure to comply with any other requirements of this RFP may be considered appropriate cause for rejection of the response.
12. The Bidder must accept Office of the State Treasurer's standard contract language and conditions. See Standard Contract and Conditions, attached hereto as Exhibit A.
13. The Treasurer may, at her discretion, reject any or all Proposals or cancel this Request for Proposals at any time and may re-offer the contract at a later date without any obligation for any costs incurred by Bidders.
14. The Office of the State Treasurer reserves the right to award in part or to reject any and all proposals in whole or in part for misrepresentation or if the Bidder is in default of any prior State contract, or if the proposal limits or modifies any of the terms and conditions and/or specifications of the RFP. The Office of the State Treasurer also reserves the right to waive technical defects, irregularities and omissions if, in its judgment, the best interest of the State will be served. The Treasurer also reserves the right to determine the responsiveness of a Proposal by reference to the Proposal taken as a whole.

15. The Office of the State Treasurer reserves the right to correct inaccurate awards resulting from its clerical errors. This may include, in extreme circumstances, revoking the awarding of a contract already made to a Bidder and subsequently awarding the contract to another Bidder. Such action on the part of the Office of the State Treasurer shall not constitute a breach of contract on the part of the agency since the contract with the initial Bidder is deemed to be void *ab initio* and of no effect as if no contract ever existed between Office of the State Treasurer and the Bidder.
16. Prior to its engagement by the Office of the Treasurer, the successful Bidder shall furnish the Office of the Treasurer with a current and valid Letter of Good Standing issued by the State of Connecticut Department of Revenue Services, pursuant to Connecticut General Statutes 12-2. The failure of the successful Bidder to timely provide a Letter of Good Standing prior to engagement may result in the removal and replacement of the successful Bidder.

# Exhibit A

## Form of Agreement / Management Agreement

**PLEASE NOTE: Exhibit A, Form of Agreement/Management Agreement, Pages 30-76, are included for informational purposes only and do not need to be executed until the contract is awarded.**



Exhibit A

**EXHIBIT A – FORM OF AGREEMENT  
MANAGEMENT AGREEMENT**

This **MANAGEMENT AGREEMENT** (“**Agreement**”), dated as of January 4, 2010 (the “Commencement Date”), is entered into by and between the CONNECTICUT HIGHER EDUCATION TRUST (CHET) and \_\_\_\_\_, a [**insert state of incorporation**] corporation (“**Program Manager**”).

W I T N E S S E T H:

**WHEREAS**, Connecticut General Statutes sections 3-22e to 3-22-22o, as amended from time to time (“the **Statute**”), provides for the establishment of a qualified state tuition program under Section 529 of the United States Internal Revenue Code of 1986, as amended from time to time, (“**Code**”) entitled the Connecticut Qualified Tuition Savings Program (“**Program**”);

**WHEREAS**, pursuant to the Statute, the Treasurer is charged with developing and implementing the Program and the Treasurer is authorized to contract with the Program Manager to provide the program management services contemplated hereby;

**WHEREAS**, pursuant to the Statute, the Treasurer is charged with implementing the Program through the use of financial institution(s) to act as depositories and managers and the Treasurer is authorized to contract with the Program Manager to provide the investment management services contemplated hereby;

**WHEREAS**, the Program Manager will perform the various administrative, marketing, investment management and other services as more fully referred to and described below in the implementation and operation of the Program.

**NOW THEREFORE**, in consideration of the foregoing and of the mutual promises set forth herein, and intending to be legally bound hereby, the Treasurer and the Program Manager hereby agree as follows:

**1. DEFINITIONS; RULES OF CONSTRUCTION**

(a) Definitions.

The following terms used in this Agreement will have the respective meanings set forth below [additional terms may be added]:

“**Account**” shall mean a separate account established in accordance with the Statute to fund Qualified Higher Education Expenses.

“**Account Owner**” shall mean an organization described in Section 501(c) (3) of the Code that is exempt from federal income taxation pursuant to Section 501(a) of the Code, an individual, a firm, a corporation, a state or local government organization, or a legal representative of any of the foregoing who has entered into a Participation Agreement pursuant to the Code for the advance payment of higher education costs on behalf of a Beneficiary.

## Exhibit A

“**Administrative Fund**” shall mean the fund established by the Treasurer for the purpose of holding the Administrative Fee and any other fees and Account Owner costs allocated to the Treasurer pursuant to this Agreement.

“**Agreement**” shall mean this Program Management Agreement.

“**Applicable Law**” shall mean all applicable laws, judgments, decrees, injunctions, writs and orders of any court, tribunal, arbitrator or Governmental Authority and rules, regulations, orders, licenses and permits of any Governmental Authority.

“**Beneficiary**” shall have the same meaning as the term **Designated Beneficiary** set forth in the Statute on the date hereof.

“**Business Day**” shall mean a day on which the New York Stock Exchange is open for trading.

“**Code**” shall mean the Internal Revenue Service Code of 1986, as amended from time to time.

“**Commission**” shall mean the Connecticut Commission on Human Rights and Opportunities.

“**Governmental Authority**” shall mean any federal, state, local, municipal or other governmental department, commission, district, Treasurer, bureau, agency, regulatory body, court, tribunal or other instrumentality (or any officer or representative thereof) of competent jurisdiction.

“**Investment Options**” shall mean the means the investment options listed on Schedule A hereto and made available under the Program to Account Owners investing in the Trust.

“**IRS**” shall mean the United States Internal Revenue Service.

“**Management Fee**” shall mean the fee payable to the Program Manager for the Services as set forth in section 6.

“**Material Adverse Effect**” shall mean a material adverse effect on (a) the business, operations or financial condition of the Program Manager, the Treasurer or the Program, (b) the ability of any party to this Agreement to perform its material obligations under this Agreement or (c) the validity or enforceability of a material provision of this Agreement or the material rights or remedies of any party to this Agreement.

“**Mutual Fund**” shall mean any mutual fund approved by the Treasurer as an investment vehicle for assets of the Program.

## Exhibit A

**“Non-Qualified Withdrawal”** shall mean a withdrawal from an Account other than (i) a Qualified Withdrawal, (ii) a withdrawal by reason of the death or disability of a Beneficiary or (iii) a withdrawal made in connection with the receipt by the Beneficiary of a scholarship.

**“Participation Agreement”** shall mean the agreement to be entered into by the Program and an Account Owner with respect to an Account in a form mutually agreed upon by the Program Manager and the Treasurer, as amended from time to time with the approval of the Program Manager and the Treasurer.

**“Person”** shall mean any individual, corporation, partnership, joint venture, limited liability company, joint stock company or other similar organization, trust or any other entity, an unincorporated organization, a government or any agency or political subdivision thereof, a court, or any other legal entity whether acting in an individual, fiduciary or other capacity.

**“Program”** shall have the meaning set forth in the recitals to this Agreement.

**“Program Disclosure Documents”** shall mean the document(s) describing the Program prepared for distribution to persons in connection with their opening of Accounts and entering into Participation Agreements and to Account Owners and others having an interest in the Program.

**“Program Assets”** shall mean all assets of the Program excluding the assets held in the Administrative Account.

**“Qualified Higher Education Expenses”** shall have the meaning set forth in Section 529(e) (3) of the Code.

**“Qualified Withdrawal”** shall mean a withdrawal from an Account to pay the Qualified Higher Education Expenses of the Beneficiary of the Account.

**RFP** shall mean the Request for Proposals for Qualified Tuition Savings Program Management Services issued by the Treasurer.

**“Section 529”** shall mean Section 529 of the Code.

**“Services”** shall mean the program management services to be provided to the Program by the Program Manager, which are described in the RFP and this Agreement.

**“State”** shall mean the State of Connecticut.

**“State Administrative Fee”** shall mean the Treasurer’s share of the Management Fee as set forth in section 3.3 of this Agreement.

**“State Tax Department”** shall mean the Connecticut Department of Revenue Services.

**“Statute”** shall have the meaning set forth in the recitals to this Agreement.

**Exhibit A**

**“Transition Period”** shall mean the period of time following the Effective Date of this Agreement and the Program Start Date.

**“Transition Plan”** shall mean the implementation plan designed to ensure the orderly transfer to the Program Manager of the program management of the College Investment Plan.

**Trust** shall mean any trust established by the Treasurer for the purpose of holding Program Assets.

(b) Rules of Construction.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

Singular words will connote the plural as well as the singular, and vice versa (except as indicated), as may be appropriate. Masculine words such as “he,” “his,” and “him” will connote the feminine as well as the masculine, and vice versa, as may be appropriate.

Unless otherwise indicated, references within this Agreement to articles, sections, paragraphs or clauses are references to articles, sections, paragraphs or clauses in or to this Agreement.

The words “herein,” “hereof” and “hereunder” and other words of similar import used in this Agreement refer to this Agreement as a whole and not to any particular article, section, paragraph or clause.

References to any Person will include such Person, its successors and permitted assigns.

2. **ENGAGEMENT OF THE CONTRACTOR AS PROGRAM MANAGER; TERM; SUBCONTRACTING OF SERVICES; EMPLOYEES OF PROGRAM MANAGER**

- (a) Engagement by the Treasurer: The Program Manager shall provide program management services to the Program in accordance with the terms and conditions of this Agreement and the Exhibits attached to this Agreement and incorporated as part of this Agreement as follows:  
[describe services]
- (b) Inconsistencies. If there are any inconsistencies between the Agreement and any of the Exhibits, the terms of this Agreement shall prevail.
- (c) Term. The term of this Agreement (the “**Term**”) shall commence on January 4, 2010 (“Contract Start Date”), and shall continue until the close of business on the fifth anniversary of the Contract Start Date. At the sole option of the Treasurer, this Agreement may be extended for an additional five-year term at the end of the Term, provided the Treasurer notifies the Program Manager in writing of its

## Exhibit A

intention to do so at least one hundred and twenty (120) days prior to the scheduled expiration date.

- (d) Subcontracting of Services. **[if applicable to Program Manager's proposal]**  
The Treasurer hereby acknowledges that the Program Manager shall have the right to subcontract (i) services relating to marketing, information and distribution of the Program; (ii) transfer agency services required of the Program Manager hereunder; and (iii) custody, fund accounting and certain administrative services required of the Program Manager hereunder. The Program Manager may not subcontract any portion of the services provided under this Agreement without obtaining the prior written approval of the Treasurer, nor may the Program Manager assign this Agreement or any of its rights or obligations hereunder, without the prior written approval of the Treasurer. Any such subcontract or assignment shall be subject to any terms and conditions that the Treasurer deems necessary to protect the interest of the State. The Treasurer shall not be responsible for the fulfillment of the Program Manager's obligations to subcontractors.
  
- (e) Employees of Program Manager. The Program Manager shall utilize its personnel to perform the Services required under this Agreement, and such personnel shall at all times remain employees or consultants of the Program Manager, subject solely to the Program Manager's direction and control. The Program Manager shall alone retain full liability to its employees and consultants in all respect, including for their welfare, salaries, fringe benefits, legally required employer contributions and tax obligation. No facility of the Program Manager used in performing Services shall be deemed to be transferred, assigned, conveyed or leased to the Treasurer or the Program by such performance or use pursuant to this Agreement. The Program Manager warrants that all employees engaged in providing the Services shall be qualified to perform the Services, shall be properly licensed and otherwise authorized to do so under all Applicable Law.

### 3. STANDARD OF CARE.

- (a) The Program Manager acknowledges that it has fiduciary duties to the Treasurer, the Program, the Trust, the Account Owners and the Beneficiaries.
  
- (b) The Program Manager will perform the Services, and discharge its responsibilities, duties and obligations under this Agreement, in a manner that is consistent with the Program investment objective set forth in Section 5 and with the same degree of care and skill under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.
  
- (c) The Program Manager agrees to discharge its duties with respect to the Program and the Trust in the interest of the Treasurer, the Account Owners and the Beneficiaries of the Program.

## Exhibit A

4. **PROGRAM ADMINISTRATION** [to include investment options, investment of program assets, crediting of contributions and the like]

5. **INVESTMENT MANAGEMENT** [to include Program investment objective, asset allocation, guidelines, performance benchmarks and the like]

6. **MANAGEMENT FEE**

7. **REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE PROGRAM MANAGER** The Program Manager hereby represents, warrants and covenants to the Treasurer and the Trust as of the date hereof as follows:

- (a) **Organization of the Program Manager.** The Program Manager is a corporation duly organized, validly existing and in good standing under the laws of **[insert name of State]**. The Program Manager is also duly qualified and in good standing in the State, and is in compliance with all material governmental approvals, consents, licenses, permits, certificates, franchises and requirements of law that are necessary for the Program Manager to conduct its business and to enter into and perform its obligations under this Agreement and the other Program documents. The Program Manager has the corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder.
- (b) **Authority.** The execution and delivery by the Program Manager of this Agreement, and the performance by the Program Manager of its obligations hereunder, have been duly and validly authorized. This Agreement has been duly and validly executed and delivered by the Program Manager and constitutes the legal, valid and binding obligation of the Program Manager enforceable against the Program Manager in accordance with its terms.
- (c) **No Conflicts.** The execution and delivery by the Program Manager of this Agreement and the performance by the Program Manager of its duties and obligations hereunder do not: (i) conflict with or result in a breach of any of the terms, conditions or provisions of the articles of incorporation or by-laws of the Program Manager; or (ii) conflict with or result in a violation of any term or provision of any law, rule, regulation, judgment, decree, order or injunction applicable to the Program Manager or any of its assets and properties or (iii) conflict with or result in a violation or breach of, or constitute (with or without notice or lapse of time or both) a default under, any material agreement to which the Program Manager is a party, or any material obligation or responsibility which the Program Manager has to any third party.
- (d) **Approvals and Filings.** On the date hereof, (i) no consent, approval or action of, or filing with or notice to, any governmental or regulatory authority is required on the part of the Program Manager in connection with the execution, delivery and performance of this Agreement or the performance by the Program Manager of its obligations hereunder and (ii) no consent or approval of any other Person, including the holders of any indebtedness or obligations of the Program Manager, is required on the part of the Program Manager in connection with the

## Exhibit A

execution, delivery and performance of this Agreement by the Program Manager or the performance by the Program Manager of its obligations hereunder.

- (e) State Securities and Blue Sky Law Clearance. Subject to (i) verification of the availability of an applicable exemption from securities registration requirements under the securities laws of the State and (ii) the making of necessary notice filings (which filings the Program Manager will make prior to the Program Start Date), Accounts may be promoted and offered to, opened by, and contributions thereto made by, prospective or actual Account Owners eligible to open an Account pursuant to the Code in each state of the United States. The Program Manager will be solely responsible for identifying all required consents, approvals, notifications and other filings to this end under applicable state securities or blue sky laws and for the qualification of the Accounts under the securities laws of the State and of each state of the United States, if required. The Treasurer will cooperate with the Program Manager, as may be necessary, in the Program Manager's preparation and submission of all such consents, approvals, notifications and other filings.
- (f) Mutual Fund Registration. The Mutual Funds are registered as an investment company under the Investment Company Act of 1940, as amended.
- (g) Licenses and Approvals. The Program Manager shall obtain, at its expense, all licenses, permits, insurance, and governmental approvals, if any, necessary to the performance of its obligations under this Agreement.
- (h) Registration. The Program Manager is (A) registered or exempt from registration under the Investment Advisors Act of 1940, as amended; and (B) registered or licensed by the U.S. Securities and Exchange Commission ("**SEC**"), any self-regulatory organization (as such term is defined in §3(a) (26) of the Securities Exchange Act of 1934, as amended), any regulatory agency of any state of the United States, or any U.S. Government department or agency, as applicable.
- (i) 1940 Act. If the Program shall be required to register as an investment company under the Investment Company Act of 1940, as amended, then the Program Manager will cooperate with the Treasurer in effecting such registration in a timely manner.
- (j) Compliance with Laws. The offer and sale of interests in the Trust and performance of the Services shall be performed in compliance with all requirements of the SEC, FINRA, the Municipal Securities Rulemaking Board and any other state or federal authority to the extent such requirements may be or become applicable to the Program Manager or any of its subcontractors.
- (k) No Litigation. There is no action, suit, investigation or proceeding pending or, to the best knowledge of the Program Manager, threatened against the Program Manager before any court, arbitrator or administrative or governmental body which might result in a Material Adverse Effect on the operations of the Program

## Exhibit A

Manager or which might materially and adversely affect the ability of the Program Manager to perform the Services hereunder.

- (l) The Program Manager represents and warrants that the Program Manager (including its key professionals) has no undisclosed material or potential conflict of interest with the Treasurer as of the date of this Agreement. Any previously undisclosed material or potential conflicts of interest are disclosed on **Attachment 1** hereto. The Program Manager represents and warrants that the disclosure on **Attachment 1** is true, accurate and complete as of the date of this Agreement. The Program Manager represents and warrants that it shall, no less than annually and for the term of this Agreement, report to the Treasurer any changes to the disclosure provided on **Attachment 1**.
- (m) Insurance [tbd] The Manager shall certify to the Treasurer in writing upon execution of this Agreement (**Attachment 2**) and, thereafter at least annually, the nature, amount of and carrier of insurance insuring the Manager against the risks specified, and the indemnification obligations and liabilities of the Manager contained in this Agreement.
- (n) Continuing Representations, Warranties and Covenants. Each of the representations, warranties and covenants made by the Program Manager in this Agreement is true and correct (A) as of the date hereof, (B) on and as of the Contract Start Date and (C) through the final day of the Term.

### 8. **REGULATORY COMPLIANCE [IRS, SEC]**

### 9. **REPORTING**

- (a) Reports and Financial Statements. The Program Manager will prepare and deliver to the Treasurer (i) within twenty (20) Business Days immediately following the end of each calendar quarter, reports on the performance of each of the Mutual Funds, [insert any other], in a form mutually satisfactory to the Treasurer and the Program Manager, and (ii) within forty (40) days immediately following the end of each fiscal year of the Treasurer, an annual statement of assets and liabilities and changes in net assets in a form mutually satisfactory to the Treasurer and the Program Manager, each such report to be prepared in accordance with generally accepted accounting principles applied on a consistent basis as of and for the periods involved.
- (b) Account Statements. The Program Manager will prepare and deliver to each Account Owner within thirty (30) days immediately following the end of the period to which they pertain, calendar quarter and calendar year statements (i) identifying the contributions made to each selected Investment Option in the relevant Account during the preceding period, (ii) the total contributions made to each selected Investment Option in such Account through the end of such period, (iii) the total value of such Account(s) at the end of such period, (iv) distributions made from each selected Investment Option in such Account during such period and (v) such other information that the Program Manager and the Treasurer agree to have reported to the Account Owner.



## Exhibit A

- (c) Compliance Requirements. The Program Manager shall:
- (i) Keep the Program in compliance with requirements of the Code and the regulations and rules of the Program promulgated there under and any amendments thereto, provided such amendments do not impair a material term of this Agreement, and to manage the Program to qualify as a “qualified state tuition program” under Section 529, as amended, along with any regulations there under, including the proposed regulations issued by the IRS as of the date hereof and such regulations when published as final; provided, however, that (A) compliance with any modifications to or interpretations of current or future regulations and/or rules relating to the Program can be achieved by the Program Manager in a commercially reasonable manner and (B) the Treasurer fully cooperates in effectuating such compliance;
  - (ii) Keep adequate records of each Account, keep each Account separate from each other Account and provide the Treasurer with the information necessary to prepare the Account information and statements required by the Statute;
  - (iii) Compile information for statements required to be prepared under the Code and provide such compilations to the Treasurer; and
  - (iv) Provide the Treasurer with copies of all regulatory filings and reports made by the Program Manager in connection with the Program until the Final Termination Date of this Agreement.
- (d) Tax Reports. The Program Manager shall:
- (i) If there is any distribution from an Account to any individual or for the benefit of any individual during a calendar year, report such distribution to the Internal Revenue Service and either the Account Owner, the Beneficiary or the distributee to the extent required by federal law or regulation; and
  - (ii) Prepare and file statements and information relating to Accounts to the extent required by federal and State tax law.
- (e) Audits. The Program Manager shall prepare, at its expense, annual financial statements in accordance with generally accepted accounting principles for the Program within seventy-five (75) days following the end of each calendar year. Upon request, the Program Manager shall provide such books, records, documents and accounting procedures and practices within its custody and control as are relevant to the performance of the Services for examination by the Treasurer, the Treasurer, and the Connecticut Legislative Auditor for a period of up to six years from the expiration of the Term or termination of this Agreement, whichever is earlier.

## Exhibit A

10. **OWNERSHIP AND CUSTODY OF PROGRAM RECORDS** The Treasurer shall own and have all right, title and interest in and to, and beneficial ownership of, the Program Records, which shall be readily accessible to the Treasurer, at the Program Manager's expense, in a commercially reasonable manner. In performing the Services, and in the event of any action, suit, investigation or similar proceeding involving the Program Manager that is brought in connection with the Program, the Program Manager and its subcontractor will have full access to the relevant Program Records and to the fullest extent permitted by law, the Treasurer will cooperate fully, and will cause its officers and employees to cooperate fully, with the Program Manager in connection with any such action, suit, investigation or similar proceeding.

11. **CONFIDENTIALITY**

- (a) The Program Manager and the Treasurer agree to maintain as confidential all personal and financial information concerning the Account Owners and Beneficiaries related to the Program (except for disclosures to Account Owners of such information relating to them or their Accounts, disclosures required by Section 12(d) of this Agreement, and disclosures of information regarding Qualified Withdrawals to institutions of higher education) unless written authorization to disclose such information has been given by the appropriate party

The Program Manager will use Confidential Information solely for the purpose of performing the Services in accordance with this Agreement. The Program Manager will hold all such information and all information generated in the performance of the Services in strict confidence indefinitely (even beyond the term and termination of this Agreement) and will not disclose such information without prior written authorization from the Treasurer.

- (b) This Section 13 will not restrict any disclosure required to be made by Applicable Law, except that no such disclosure will be made sooner (unless otherwise compelled) than five (5) Business Days immediately following the other party's receipt of written notice of such requirement, and such notice will include a copy of any Applicable Law. In the event either party is ordered to disclose Confidential Information, such party will afford to the other party a reasonable opportunity to participate and object, at the other party's expense, to any such disclosure.
- (c) Public Records. Pursuant to Connecticut General Statutes section 1-200 et seq., information or documents received by the Treasurer from the Program Manager may be open to public inspection and copying unless exempt from disclosure. To the extent that Program Manager claims that individual documents are confidential, Program Manager shall clearly designate such individual documents as "exempt" and shall indicate the statutory basis for such exemption.
- (d) Use by Employees and Agents. The requirement of confidentiality under this Agreement also applies to the subcontractors and delegates of any party and employees, attorneys and other professional advisers and agents of the parties hereto and such subcontractors and delegates. Each party hereto will use its

## Exhibit A

best efforts to ensure that such persons adhere to the confidentiality requirements set forth herein. Use and disclosure of proprietary and Confidential Information by employees, agents, attorneys and other professional advisers to the extent necessary to carry out the terms and purposes of this Agreement is permitted.

### **12. PROMOTION**

No publicity release or announcement concerning this Agreement shall be issued without the advance written approval of the Treasurer.

Unless specifically authorized in advance in writing by the Treasurer on a case-by-case basis, the Manager shall have no right to use, and shall not use, the name of the State of Connecticut, its officials or employees, or the seal of the State of the Treasurer:

- (a) In any advertising, publicity, or promotion;
- (b) As an express or implied endorsement of the Manager's products or services; or
- (c) In any other manner (whether or not similar to uses prohibited by subsections (a) and (b) above), except to perform and deliver in accordance with this Agreement such services as are hereby contracted by the State of Connecticut.

In no event may the Manager use the State Seal or the seal of the Office of the Treasurer in any way without the express written consent of the Secretary of State of the State of Connecticut or the Treasurer, respectively.

### **13. NON-DISCRIMINATION OBLIGATIONS**

- (a) As required by C.G.S. Section 4a-60, as amended by State of Connecticut Public Acts 07-142 and 07-245:
  - (i) The Manager agrees and warrants that in the performance of this Agreement such Manager will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the state of Connecticut. The Manager further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved;

## Exhibit A

- (ii) The Manager agrees, in all solicitations or advertisements for employees placed by or on behalf of the Manager, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the commission;
  - (iii) The Manager agrees to provide each labor union or representative of workers with which such Manager has a collective bargaining agreement or other contract or understanding and each vendor with which such Manager has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities (the "Commission") advising the labor union or workers' representative of the Manager's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment;
  - (iv) The Manager agrees to comply with each provision of this section and C.G.S. Sections 46a-68e and 46a-68f and with each regulation or relevant order issued by said commission pursuant to C.G.S. Sections 46a-56, 46a-68e and 46a-68f; and
  - (iv) The Manager agrees to provide the Commission with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Manager as relate to the provisions of this section and C.G.S. Section 46a-56.
- (b) If this Agreement is a public works contract, the Manager agrees and warrants that it will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works project.
- (c) "Minority business enterprise" means any small contractor or supplier of materials fifty-one per cent (51 %) or more of the capital stock, if any, or assets of which is owned by a person or persons: (1) Who are active in the daily affairs of the enterprise, (2) who have the power to direct the management and policies of the enterprise and (3) who are members of a minority, as such term is defined in Subsection (a) of C.G.S. Section 32-9n; and "good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations. "Good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements.
- (d) Determination of the Manager's good faith efforts shall include but shall not be limited to the following factors: The Manager's employment and subcontracting policies, patterns and practices; the Manager's affirmative advertising, recruitment and training; the Manager's technical assistance activities and such other reasonable activities or efforts as the Commission may prescribe that are

## Exhibit A

designed to ensure the participation of minority business enterprises in public works projects.

- (e) The Manager shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of its good faith efforts.
- (f) The Manager shall include the provisions of Subsection (a) above in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the commission. The Manager shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with C.G.S. Section 46a-56; provided that, if such Manager becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the commission, the Manager may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.
- (g) As required by C.G.S. Section 4a-60a, as amended by State of Connecticut Public Acts 07-142 and 07-245:
  - (i) The Manager agrees and warrants that in the performance of this Agreement such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the State of Connecticut, and that employees are treated when employed without regard to their sexual orientation;
  - (ii) The Manager agrees to provide each labor union or representative of workers with which such Manager has a collective bargaining agreement or other contract or understanding and each vendor with which such Manager has a contract or understanding, a notice to be provided by the Commission advising the labor union or workers' representative of the Manager's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment;
  - (iii) The Manager agrees to comply with each provision of this section and with each regulation or relevant order issued by said Commission pursuant to C.G.S. Section 46a-56; and
  - (iv) The Manager agrees to provide the Commission with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Manager which relate to the provisions of this section and C.G.S. Section 46a-56.

## Exhibit A

- (h) The Manager shall include the provisions of Subsection (g) above in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The Manager shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with C.G.S. Section 46a-56; provided that, if such Manager becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the commission, the Manager may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the State may so enter.
- (i) In accordance with the foregoing acknowledgments and agreements, attached hereto as **Attachment 3** is a certificate confirming that the Manager has adopted a resolution in support of this Agreement and warranty set forth in Subsections (a)(i) and (g)(i) of this Section.

### **14. INDEMNIFICATION**

The Manager shall indemnify and forever hold harmless the Trust, the Program, the Treasurer, and the officers, employees and agents of any of them having responsibilities in connection with the Program or the Trust, from and against any and all losses, claims, demands, damages, actions, monetary loss or attorneys' fees, expenses and court costs, liabilities of whatsoever kind or nature, including but not limited to those arising out of injury to or death of the Manager's employees, whether occurring before, during or after completion of the services hereunder, and in any manner directly or indirectly based on, arising out of, or contributed to, in whole or in part, the negligent, reckless, willfully improper or illegal performance of services or the failure to perform services hereunder, or for any errors of judgment in managing the Account or actions performed outside the scope of the Manager's authority hereunder, or any other breach of this Agreement, by the Manager, its principals, directors, officers, employees, agents or subcontractors, or any brokers or futures commission merchants selected by the Program Manager and performing services hereunder. At the Treasurer's option, and in her sole discretion, the Program Manager shall defend at its expense any actions brought against the Treasurer, the State, the Trust or the Program arising out of or in connection with any services performed hereunder or the failure to perform such services, or other breach of this Agreement, by the Program Manager, and the costs of such defense shall be borne by the Program Manager and shall not constitute any expense of nor shall be paid out of Trust assets invested and managed by the Program Manager.

### **15. LIABILITY**

Nothing set forth in this Agreement shall in any way constitute a waiver or limitation of any rights that the Treasurer or the Trust may have under any applicable state or federal securities laws and nothing contained in this Agreement shall be construed as relieving the Program Manager from responsibility or liability for any responsibility,

**Exhibit A**

obligation, or duty hereunder imposed on the Program Manager by state or federal law. The termination or expiration of this Agreement shall not relieve the Program Manager of any liability that may be incurred in connection with its investment activities, which liability shall survive termination or expiration of this Agreement.

**16. NOTICES**

Unless otherwise expressly provided to the contrary, all notices, requests, demands or other communications required by or otherwise with respect to this Agreement shall be in writing and shall be deemed given (i) when made, if made by hand delivery, and upon confirmation of receipt, if made by facsimile, (ii) one business day after being deposited with a next-day courier, postage prepaid, or (iii) three business days after being sent certified or registered mail, return receipt requested, postage prepaid, in each case to the applicable addresses set forth below (or to such other address as such party may designate in writing from time to time.

TREASURER                      Connecticut Higher Education Trust  
   Office of the Treasurer  
   55 Elm Street  
   Hartford, CT 06106  
   Phone:        (860) 702-3000  
   Facsimile:   (860) 702-3042

With a copy to:                General Counsel  
   Office of the Treasurer  
   55 Elm Street  
   Hartford, CT 06106  
   Phone:        (860) 702-3000  
   Facsimile:   (860) 728-1290

Program Manager

Phone:  
Facsimile:

With a copy to:

Phone:  
Facsimile:

The parties may change their respective addresses for notices under this Section upon prior written notification to the other.

## Exhibit A

### 17. CORPORATE CITIZENSHIP

The Program Manager agrees and acknowledges that the Treasurer expects all of its vendors to be good corporate citizens. Good corporate citizenship includes, without limitation, embracing workforce diversity within the company and with respect to procurement of goods and services, supporting the communities where the company does business with respect to charitable and civic organizations, community works and procurement practices, and incorporating good corporate governance in the company's operation. During the term of this Agreement, the Program Manager agrees to furnish the Treasurer with detailed and accurate reports of its good corporate citizenship activities upon request.

### 18. THIRD-PARTY FEE DISCLOSURES

- (a) The Program Manager acknowledges and agrees that:
  - (i) Pursuant to C.G.S. Section 3-13j, any person or entity who would be a party to a contract for investment services with the Office of the Treasurer shall disclose to the Treasurer, in writing, all third-party fees attributable to such contract before any such contract may take effect;
  - (ii) The Treasurer requires disclosure of all third-party compensation paid by all vendors of the Office of the Treasurer on an annual basis; and
  - (iii) C.G.S. Section 4a-81 prohibits the Office of the Treasurer from entering into any contract for goods or services with an annual value of \$50,000 or more unless it obtains an affidavit from the vendor attesting as to whether such vendor has entered into any written or oral consulting agreements in connection with its contract with the Office of the Treasurer.
- (b) In accordance with the foregoing acknowledgment and agreements, the Program Manager agrees to have its chief official authorized to enter into this Agreement complete and submit to the Treasurer a sworn affidavit in the form of **Attachment 4** (the "Third Party Fee Disclosure Affidavit").
- (c) The Program Manager represents that the information it has disclosed on the Third Party Fee Disclosure Affidavit is accurate and complete as of the date of this Agreement. The Program Manager covenants to promptly report any changes to the disclosure provided on the Third Party Fee Disclosure Affidavit and to file an updated affidavit with the Treasurer on an annual basis as of June 30 of each contract year.

### 19. CAMPAIGN CONTRIBUTIONS

- (a) C.G.S. Section 9-612 (the "Elections Laws") prohibits contributions to or solicitations on behalf of a candidate for the office of Treasurer of the State of Connecticut. The Program Manager covenants not to make any campaign contributions in violation of the Election Laws. The Program Manager further represents and agrees that (i) the Program Manager, (ii)



## Exhibit A

any and all directors or persons with 5% or greater ownership in the Program Manager, (iii) any and all individuals employed as president, treasurer or executive vice president by the Program Manager, (iv) any and all officers and employees of the Program Manager with managerial or discretionary responsibilities with respect to the State, (v) the spouse or dependent child who is eighteen years of age or older of any of the foregoing, or (vi) a political committee established or controlled by the Program Manager or any such individuals, did not during the last election cycle contribute to or solicit contributions on behalf of, and will not (for the term of this Agreement) contribute to, or solicit contributions on behalf of, any exploratory committee or candidate committee established by a candidate for nomination or election to the Office of the Treasurer of the State of Connecticut.

- (b) If this Agreement has a value equal to or more than \$50,000 in a calendar year, then the Treasurer hereby notifies the Program Manager that, pursuant to the Elections Laws, no principal of the Program Manager, as defined in the Elections Laws (“Principal”), shall make a political contribution to or solicit a political contribution on behalf of: (i) an exploratory committee or candidate committee established by a candidate for election to any of the following offices of the State of Connecticut: Governor, Lieutenant Governor, Secretary of State, Treasurer, Comptroller, or Attorney General; (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates; or (iii) a party committee (each and together, a “Prohibited Contribution”). If the Program Manager or a Principal makes or solicits a Prohibited Contribution, then the Treasurer at her sole discretion may void this Agreement immediately and without notice. If the Program Manager or a Principal makes or solicits a Prohibited Contribution and the Treasurer decides not void this Agreement, then this Agreement shall not be amended for that period of time proscribed by the Elections Laws.
- (c) For all State contracts as defined in Public Act 07-1 having a value in a calendar year of \$50,000 or more or a combination or series of such agreements or contracts having a value of \$100,000 or more, the Program Manager’s authorized signatory to this Agreement expressly acknowledges receipt of the State Elections Enforcement Commission’s notice advising State contractors of State campaign contribution and solicitation prohibitions, and will inform its principals of the contents of such notice. See **Attachment 5**.

## 20. **CODE OF ETHICS**

None of the Program Manager, its directors, members, officers, partners, employees or agents shall engage directly or indirectly in any financial or other transaction with any trustee, staff member, or employee of the Treasurer, or a member of the Investment Advisory Council, which would violate the standards set forth in the State of

**Exhibit A**

Connecticut Code of Ethics for Public Officials, as codified in C.G.S. Chapter 10, Part 1, Sections 1-79 through 1-90.

**21. NOTICE OF CERTAIN LEGAL PROCEEDINGS, INTERNAL INVESTIGATIONS; DUTY TO UPDATE**

- (a) During the term of this Agreement, to the extent permitted by law, the Program Manager agrees to promptly notify the Treasurer in writing of any lawsuit, legal or administrative proceeding or governmental investigation, examination, complaint, disciplinary action, non-routine SEC inquiry or investigation, or other proceeding relating to the Program Manager or any of its affiliates (including any proceedings to which they, their affiliates, or any of their respective officers, directors, managers or employees is a named party or of which any of such has been the focus), or of any other lawsuit, legal proceeding or governmental investigation (whether or not the Program Manager or its affiliates, or any of their respective directors, officers, managers, or principal is a party thereto, but only to the extent the Program Manager has knowledge thereof) relating to or affecting the Program Manager's ability to perform its obligations under this Agreement or involving any investment professional employed by the Program Manager who has performed or does perform any services for the Account.
- (b) During the term of this Agreement, immediately upon commencement of a formal internal investigation of the Program Manager, or any of its principals, members, partners, investment professionals or employees involved with providing services to the Treasurer or the Trust under this Agreement, the Program Manager shall promptly inform and disclose in writing to the Treasurer the existence of any such investigation.
- (c) During the term of this Agreement, the Program Manager shall promptly inform the Treasurer in writing of any changes or modifications in information or disclosure that was given or made available to the Treasurer or the Treasurer's designated representatives prior to entering into this Agreement.

**22. COMPLIANCE WITH LEGAL REQUIREMENTS; DUTY TO UPDATE**

The Program Manager, its employees and representatives shall at all times comply with all applicable foreign, international, federal, state, county and local laws, ordinances, statutes, rules, regulations, registrations, filings, approvals, authorizations, consents examinations and orders of governmental authorities, including those having jurisdiction over its registration and licensing to perform services hereunder, and all provisions required by such legal requirements are hereby incorporated by reference in this Agreement. The Program Manager shall be solely responsible for obtaining current information on such laws and requirements. The Program Manager shall promptly disclose to the Treasurer any material changes in the Program Manager's status with respect to any such compliance and disclosure, and shall immediately deliver any amended, modified or changed instruments, documents and other filings to the Treasurer.

## Exhibit A

Without limiting the foregoing, this Agreement is subject to the provisions of C.G.S. Section 4-61dd. No officer, director or appointing authority of the Program Manager may take or threaten to take any retaliatory personnel action against any employee of the Program Manager who discloses information regarding corruption, unethical practices, violation of state laws or regulations, mismanagement, gross waste of funds, abuse of authority or danger to public safety occurring in any state department or agency to the Connecticut Auditors of Public Accounts or the Connecticut Attorney General. In the event that any such retaliatory action is taken or threatened, the Program Manager shall be liable for civil penalties.

### **23. EQUAL OPPORTUNITY AND DIVERSITY**

The Program Manager agrees and warrants that, in the performance of its duties hereunder, it shall not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, gender, mental retardation, sexual orientation or physical disability, including but not limited to, blindness, unless it is shown by the Program Manager that such disability prevents performance of the services under this Agreement. The Program Manager further agrees to use its best efforts to consider applicants with job-related qualifications for employment and that, once employed, employees are treated without regard to their race, color, religious creed, age, marital status, national origin, ancestry, gender, mental retardation, sexual orientation, or physical disability. The Program Manager agrees, represents and warrants that all solicitations or advertisements for employees placed by it or on its behalf shall state that the Program Manager is an “affirmative action – equal opportunity employer.” The Program Manager agrees, represents and warrants that it shall use its good faith efforts to consider and recruit diverse applicants from the widest possible pool of candidates. In meeting its good faith obligation to recruit diverse applicants, the Program Manager agrees, represents and warrants that it shall contact national networks, and shall maintain adequate records of its efforts regarding workforce diversity.

The Program Manager must complete and submit Attachment 6. The Program Manager further represents and warrants that the information disclosed on the sworn affidavit attached hereto as Attachment 6 is accurate and complete as of the date of this Agreement. During the term of this Agreement, the Program Manager agrees to furnish the Treasurer with updated and accurate disclosure no later than December 31 of each year.

### **24. GIFT AFFIDAVIT**

The Program Manager shall complete, truthfully attest to and submit herewith a Gift Affidavit in the form of **Attachment 7**. The Program Manager represents and warrants that the information it has disclosed in such Gift Affidavit is complete and accurate as of the date of this Agreement.

### **25. FOREIGN CORRUPT PRACTICES ACT**

The Program Manager covenants that it will not make any direct or indirect payments to any foreign government official, government employee, political party or official in order

## Exhibit A

to obtain, retain or direct business or obtain any advantage -- unless such payment is permitted under the written laws of the jurisdiction where the Program Manager resides and of such foreign official's country – in violation of the United States Foreign Corrupt Practices Act. The Program Manager covenants that, in the performance of its duties hereunder, it shall not knowingly make any payments to any person or entity that would cause the Office of the Treasurer or the Trust to be in violation of the United States Foreign Corrupt Practices Act, as amended from time to time, or similar acts or laws of the country in question.

### **26. FOREIGN ASSETS CONTROL REGULATIONS; ANTI-TERRORISM ORDER**

The Program Manager represents and warrants that, to the best of its knowledge, in agreeing to provide, and in providing, the services under this Agreement, (a) the Program Manager neither is in violation nor will be in violation of the provisions of the United States Executive Order 13224 of September 24, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism, if applicable, or the provisions of The USA Patriot Act, title III, or the International Money Laundering Abatement and Anti-Terrorism Financing Act of 2001 (as each may be amended from time to time) and any regulations promulgated there under, and (b) the Program Manager is not a party with which the Treasurer is prohibited to deal under the laws of the United States. Program Manager shall use its best efforts to ensure that it will not be included on the Specially Designated Nationals and Blocked Persons List of the United States Treasury Department's Office of Foreign Assets Control.

### **27. PAY-TO-PLAY**

The Program Manager represents and warrants that neither the Program Manager nor any individual in the Program Manager's organization has received or paid, or entered into an agreement, to receive or pay, any compensation, fees, or any other benefit from or to any third party, including any consultants or advisers to the Trust or the Treasurer, in connection with the indirect or direct procurement, continuance or extension of this Agreement.

### **28. GOVERNING LAW; VENUE; JURISDICTION**

This Agreement shall be interpreted under, governed by and enforced according to the laws of the State of Connecticut, without regard to choice of law rules. The Program Manager hereby submits to the jurisdiction of the courts in the State of Connecticut, or of the United States of America sitting in the State of Connecticut, over any action, suit, or proceeding arising out of or relating to this Agreement. The Program Manager hereby consents to the jurisdiction of any court of the State of Connecticut and any federal courts in Connecticut, hereby waiving any claim or defense that such forum is not convenient or proper. The Program Manager agrees that any such court shall have *in personam* jurisdiction over it, and consents to service of process in any manner authorized by the laws of the State of Connecticut.

**Exhibit A**

**29. DISCOVERY OF CONFLICTS, ERRORS, OMISSIONS AND DISCREPANCIES**

- (a) In the event of any conflict between the provisions of this Agreement and the provisions of Form CO-802A to which this Agreement is attached, the provisions of this Agreement shall control.
- (b) In case of conflicts, discrepancies, errors or omissions among the various parts of this Agreement, any such matter shall be submitted immediately by the Program Manager to the Treasurer for interpretation. Any interpretation of such conflicts, discrepancies, errors or omissions shall be determined at the sole discretion of the Treasurer, who shall act in good faith. This remedy shall not be deemed exclusive and the Program Manager does not waive any of its legal or equitable remedies. Any services affected by such conflicts, discrepancies, errors or omissions which are performed by the Program Manager prior to any interpretation by the State shall be at the Program Manager's risk.

**30. APPLICABLE EXECUTIVE ORDER OF THE GOVERNOR**

- (a) This Agreement is subject to the provisions of Executive Order Number Three of Governor Thomas J. Meskill promulgated June 16, 1971, set forth in the attached **Exhibit A**.
- (b) This Agreement may be canceled, terminated or suspended by the State Labor Commissioner for violation of or noncompliance with said Executive Order Number Three or any state or federal law concerning nondiscrimination, notwithstanding that the Labor Commissioner may not be party to this Agreement. The parties to this Agreement, as part of the consideration hereof, agree that Executive Order Number Three is incorporated by reference herein and made a part hereof. The parties agree to abide by said Executive Order and agree that the contracting agency and the State Labor Commissioner shall have joint and several continuing jurisdiction.
- (c) This Agreement is subject to the provisions of Executive Order Number Seventeen of Governor Thomas J. Meskill promulgated February 15, 1973, set forth in the attached **Exhibit B**.
- (d) This Agreement may be canceled, terminated or suspended by the contracting agency or the State Labor Commissioner for violation of or noncompliance with said Executive Order Number Seventeen, notwithstanding that the Labor Commissioner may not be party to this Agreement. The parties to this Agreement, as part of the consideration hereof, agree that Executive Order Number Seventeen is incorporated by reference herein and made a part hereof. The parties agree to abide by said Executive Order and agree that the contracting agency and the State Labor Commissioner shall have joint and several continuing jurisdiction.
- (e) This Agreement is subject to the provisions of Executive Order Number Sixteen of Governor John G. Rowland promulgated August 4, 1999, set forth in the attached **Exhibit C**.

## Exhibit A

- (f) This Agreement may be canceled, terminated or suspended by the contracting agency or the State Labor Commissioner for violation of or noncompliance with said Executive Order Number Sixteen or any state or federal law concerning nondiscrimination, notwithstanding that the State Labor Commissioner may not be a party to this Agreement. The parties to this Agreement, as part of the consideration hereof, agree that Executive Order Number Sixteen is incorporated by reference herein and made a part hereof. The parties agree to abide by said Executive Order and agree that the contracting agency and the State Labor Commissioner shall have joint and several continuing jurisdiction with respect to contract performance in regard to listing all employment openings with the Connecticut State Employment Service.
- (g) The parties agree to abide by said Executive Orders, and agree that the State Labor Commission shall have continuing jurisdiction in respect to performance in regard to nondiscrimination, until performance is completed, or until this Agreement is terminated prior to completion.

### **31. NON-WAIVER**

None of the conditions of this Agreement shall be considered waived by the Treasurer or the Program Manager unless given in writing. Failure by the Treasurer to promptly assert any rights under this Agreement shall not be construed to be acquiescence of any misfeasance, malfeasance or nonfeasance. No such waiver shall be a waiver of any past or future default, breach, failure of condition, right or remedy or modification of any of the conditions of this Agreement unless expressly stipulated in such waiver.

### **32. SOVEREIGN IMMUNITY**

Notwithstanding any provisions to the contrary contained in this Agreement, it is agreed and understood that neither the State of Connecticut nor the Treasurer shall be construed to have waived any rights or defenses of sovereign immunity, which the State of Connecticut or the Treasurer may have with respect to all matters arising out of this Agreement. The Treasurer hereby reserves all immunities, defenses, rights or actions arising out of the State's sovereign status or under the Eleventh Amendment to the United States Constitution, and no waiver of any such immunities, defenses, rights or actions shall be implied or otherwise deemed to exist by the Treasurer's entry into this Agreement, by any express or implied provision of this Agreement, or by any actions or omissions to act of the Treasurer, or any representative or agent of the Treasurer, whether taken pursuant hereto, prior to or after the Treasurer's entry into this Agreement.

### **33. SURVIVAL**

The rights and obligations of the parties which by their nature survive termination or completion of this Agreement, including but not limited to those set forth herein Sections 7, 11, 14, 15, and 32 of this Agreement, shall remain in full force and effect.

## Exhibit A

### 34. TERMINATION

- (a) This Agreement will terminate prior to the expiration of the Term, upon the occurrence of any of the following (each an “**Early Termination Event**”):
- (i) at the Treasurer’s election, if the Program Manager breaches any provision of this Agreement (with respect to representations, covenants or otherwise) and such breach remains uncured for more than ninety (90) days with respect to a breach involving the Program Manager’s computer systems or more than thirty (30) days with respect to all other breaches, in each case after the Treasurer has given written notice thereof to the Program Manager, and such breach has a Material Adverse Effect; or
  - (ii) at the Treasurer’s election, if the Program Manager commences a voluntary case or other proceeding seeking rehabilitation, liquidation, reorganization or other relief with respect to itself or its debts under any rehabilitation, bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, rehabilitator, receiver, liquidator, custodian or other similar official of it or substantially all of its property, or will consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or will make a general assignment for the benefit of creditors, or file an answer admitting the material allegations of a petition filed against it in any such proceeding or fail generally to pay its debts as they become due, or will take any corporate action to authorize any of the foregoing; or
  - (iii) at the Treasurer’s election, if an involuntary case or other proceeding will be commenced against the Program Manager seeking rehabilitation, liquidation, reorganization or other relief with respect to it or its debts under any rehabilitation, bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding will remain undismissed and unstayed for a period of sixty (60) days; or
  - (iv) at the Treasurer’s election in the event of a change in law which has a Material Adverse Effect on the ability of the State to operate the Program; or
  - (v) at the Treasurer’s election in the event the Treasurer determines that termination of the Agreement is in the best interest of the State;
  - (vi) at the Treasurer’s election in the event the Connecticut legislature repeals and does not replace the Statute; or
  - (vii) Notwithstanding any other provision of this Agreement, the Treasurer may, at any time at her sole discretion, terminate this Agreement, in whole or in

## Exhibit A

part, upon sixty (60) days notice to the Program Manager, or at such later date as the Treasurer may establish in such notice.

- (b) Existing Accounts In the event this Agreement is not renewed at the expiration of the Term or any additional term, the Program Manager shall continue to accept contributions from Account Owners existing as of the Agreement termination date and shall continue to maintain Account records and Account balances, for such Accounts, in accordance with the terms of this Agreement. The Program Manager shall not solicit or accept new Accounts after the expiration of the Term and any additional terms of the Agreement.
  
- (c) Transition Accounts.
  - (i) In the event this Agreement is terminated by an Early Termination Event provided for in Paragraph 17(a), the Program Manager shall cease soliciting and accepting new Accounts and contributions. The Program Manager shall do everything in its power to facilitate the transfer of the Accounts and the Services from the Program Manager to any workforce, agency, Program Manager, or other entity designated by the Treasurer. The Program Manager, its employees, agents and subcontractors shall provide the Treasurer, its staff and whoever the Treasurer selects to perform future work for the Program, complete, immediate and unimpeded access to all records, data, files and information pertinent to performing the work which the Program Manager will be ceasing to perform. The Program Manager shall continue to perform all work under this Agreement during a transition of up to one year as determined by the Treasurer to ensure an orderly transition of services provided pursuant to a new agreement. The Program Manager and the Treasurer must mutually agree upon any longer transition period.
  
  - (ii) The Program Manager shall take all steps necessary to ensure that all system materials, including documentation, are current and adequate to facilitate the orderly transfer of all files, data, information and assets of or relating to the Program in a reasonable and storable electronic form within a medium mutually agreed upon by the Program Manager and the Treasurer.
  
  - (iii) When work is transferred from the Contract, the Program Manager shall take all steps necessary to ensure that its employees, agents and subcontractors do not impede or delay the orderly transfer of work. In the event of a transfer of work from the Program Manager, if there is any delay in the transfer which is the direct or indirect result of actions of the Program Manager, its employees, agents or subcontractors which impedes the transfer of work, the Treasurer may, at its discretion, require the Program Manager to pay to escrow fees otherwise allowable under the terms of this Agreement until such time as the transition is complete.



Exhibit A

- (iv) Collection by the Treasurer of the amount authorized in this provision does not limit the Treasurer's ability to collect any other amounts that the Treasurer is authorized to pursue and collect pursuant to other provisions of the Agreement or Applicable Law.

**35. ASSIGNMENT**

This Agreement shall not be assigned by either party without the express prior written consent of the other. Such consent shall not be unreasonably denied or withheld.

**36. SEVERABILITY**

If any part or parts of this Agreement shall be held to be void, invalid or unenforceable, or contrary to any express provision of law, or contrary to the policy of express law though not expressly prohibited, or against public policy, then such part or parts shall be treated as severable from the rest of this Agreement, leaving valid and enforceable the remainder of this Agreement and in no way shall affect the validity or enforceability of the rights of the parties hereto.

**37. ENTIRE AGREEMENT; AMENDMENTS AND MODIFICATIONS**

This Agreement embodies the entire agreement between the Treasurer and the Program Manager on the matters specifically addressed herein. The parties shall not be bound by or be liable for any statement, representation, promise, inducement or understanding of any kind or nature not set forth herein. This Agreement shall supersede all prior written agreements between the parties and their predecessors. No party has been induced to enter into this Agreement by, nor is any party relying on, any representation or warranty outside those expressly set forth herein. No changes, amendments or modifications of any of the terms or conditions of this Agreement shall be valid unless reduced to writing, signed by both parties and approved by the Attorney General or the Deputy Attorney General of the State of Connecticut. The parties shall meet and confer in good faith on any modification of this Agreement that may become necessary to make its provisions consistent with any investment policy of the Trust or the Treasurer, or federal, state, local, foreign or international statute, rule, regulation or ordinance that governs any aspect of this Agreement.

**38. SUCCESSOR AND ASSIGNS**

This Agreement shall inure to the benefit of and be binding upon each party's respective heirs, successors, and assigns.

**39. NO THIRD-PARTY BENEFICIARIES**

Except as otherwise specifically provided for herein, nothing in this Agreement is intended or will be construed to give any person, other than the parties hereto, their successors and permitted assigns, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

Exhibit A

**40. NO PARTNERSHIP; INDEPENDENT CONTRACTOR.**

Nothing contained in this Agreement will be deemed or construed to create the relationship of a joint venture or partnership between the Program Manager and the Treasurer. The Program Manager will have no authority to bind the Treasurer without the written consent of the Treasurer. the Program Manager is an independent Program Manager and will be free, subject to the terms and conditions of this Agreement, to exercise judgment and discretion with regard to the conduct of its business, including, without limitation, performing management, investment advisory and other services for qualified state tuition savings and prepaid tuition programs other than the Program and for other clients.

**41. MISCELLANEOUS PROVISIONS**

- (a) Notwithstanding anything to the contrary contained herein, both parties hereby acknowledge that this Agreement does not: (i) permit the filing of liens against the State; (ii) obligate the State to indemnify or hold the Program Manager harmless in any way; (iii) obligate the State to be subject to binding arbitration (iv) provide that this Agreement is expired or terminated. Further, any foregoing provision of this Agreement that would cause this Agreement to be considered a contract that: (i) permits the filing of liens against the State; (ii) obligates the State to indemnify or hold the Program Manager harmless in any way; (iii) obligates the State to be subject to binding arbitration; or (iv) provides that this Agreement is expired or terminated is null, void, unenforceable and hereby stricken from this Agreement.
- (b) Notwithstanding anything to the contrary contained herein, both parties hereby acknowledge that this Agreement is not a Personal Service Agreement entered into by the Treasurer for the purpose of hiring an individual as contemplated by C.G.S. Section 4a-58(b). Further, any foregoing provision of this Agreement that would cause this Agreement to be considered a contract for the purpose of hiring an individual as contemplated by C.G.S. Section 4a-58(b) is null, void, unenforceable and hereby stricken from this Agreement.
- (c) Notwithstanding anything to the contrary contained herein, both parties hereby acknowledge that this Agreement does not concern or in any way relate to tangible personal property as contemplated by C.G.S. Section 12-411b. Further, any foregoing provision of this Agreement that would cause this Agreement to concern or in any way relate to tangible personal property as contemplated by C.G.S. Section 12-411b is null, void, unenforceable and hereby stricken from this Agreement.
- (d) Notwithstanding anything to the contrary contained herein, both parties hereby acknowledge that this Agreement is not funded by and does not concern or in any way relate to a state grant as contemplated by C.G.S. Section 7-396a. Further, any foregoing provision of this Agreement that would cause this Agreement to concern or in any way relate to a state grant as contemplated by

## Exhibit A

C.G.S. Section 7-396 a is null, void, unenforceable and hereby stricken from this Agreement.

- (e) It is the Treasurer's express policy to never intentionally assign or allocate, in whole or in part, to any person or contractor, any Governmental Function of the Office of the Treasurer—as defined by Chapter 14 of the C.G.S. and contemplated by C.G.S. Section 1-218. If, however, (a) this Agreement has a value greater than or equal to Two Million Five Hundred Thousand Dollars (\$2,500,000) and (b) the State Freedom of Information Commission makes a final determination that this Agreement is a contract for the performance of a Governmental Function, then this Agreement shall be subject to the provisions of C.G.S. Section 1-218, as may be modified from time to time. Accordingly the Treasurer shall be entitled to receive a copy of the Program Manager's records and files related to its performance of such Governmental Function, and such records and files shall be subject to the State of Connecticut Freedom of Information Act, C.G.S. Sections 1-1-200 *et seq.* No request to inspect or copy such records or files pursuant to the Freedom of Information Act shall be valid unless the request is made to the Office of the Treasurer in accordance with the provisions set forth in the State of Connecticut Freedom of Information Act. Any complaint by a person who is denied the right to inspect or copy such records or files shall be brought to the Freedom of Information Commission in accordance with the provisions of C.G.S. Sections 1-205 and 1-206.
- (f) Notwithstanding anything to the contrary contained herein, both parties hereby acknowledge and agree that this Agreement does not concern or in any way relate to the Health Insurance Portability and Accountability Act of 1996. Further, any foregoing provision of this Agreement that would cause this Agreement to concern or in any way relate to the Health Insurance Portability and Accountability Act of 1996 is null, void, unenforceable and hereby stricken from this Agreement.
- (g) Both parties to this Agreement hereby agree that all references to statutes, public acts and executive orders made herein shall refer to such statutes, public acts and executive orders as they are, were or shall be amended, replaced or superseded, from time to time.
- (h) In the event of any conflict between the provisions of this Section of this Agreement ("Miscellaneous Provisions") and the provisions of any other Section of this Agreement, the provisions of this Miscellaneous Provisions Section of this Agreement shall override and control.

## **42. HEADINGS**

Descriptive headings in this Agreement are for convenience only and shall not affect the construction or meaning of the contractual language.

**Exhibit A**

**43. FURTHER ASSURANCES**

From and after the date of this Agreement, upon the request of the Treasurer, the Program Manager shall execute and deliver such instruments, documents and other writings as may be reasonably necessary or desirable to confirm and carry out and to effectuate fully the intent and purposes of this Agreement.

**44. COUNTERPART ORIGINALS**

This Agreement may be executed in any number of counterparts, each of which shall be an original, but which, taken together, shall constitute one and the same instrument.

***[Signature Page Follows]***

**Exhibit A**

IN WITNESS WHEREOF, the parties have hereunto executed this Agreement, which shall become effective as of the Commencement Date, as of the dates set forth below.

**PROGRAM MANAGER**

**TREASURER, STATE OF CONNECTICUT**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: Denise L. Nappier

Title: \_\_\_\_\_

Title: State Treasurer, as Trustee for the Connecticut Higher Education Trust

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**As to Form:**

**OFFICE OF THE ATTORNEY GENERAL**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## Exhibit A

State Of Connecticut  
By His Excellency  
Thomas J. Meskill  
Governor

### Executive Order No. Three

WHEREAS, sections 4-61d(b) and 4-114a of the 1969 supplement to the general statutes require nondiscrimination clauses in state contracts and subcontracts for construction on public buildings, other public works and goods and services, and

WHEREAS, section 4-61e(c) of the 1969 supplement to the general statutes requires the labor department to encourage and enforce compliance with this policy by both employers and labor unions, and to promote equal employment opportunities, and

WHEREAS, the government of this state recognizes the duty and desirability of its leadership in providing equal employment opportunity, by implementing these laws,

NOW, THEREFORE, I, THOMAS J. MESKILL, Governor of the State of Connecticut, acting by virtue of the authority vested in me under section twelve of article fourth of the constitution of the state, as supplemented by section 3-1 of the general statutes, do hereby ORDER and DIRECT, as follows, by this Executive Order:

- I. The labor commissioner shall be responsible for the administration of this Order and shall adopt such regulations as he deems necessary and appropriate to achieve the purposes of this Order. Upon the promulgation of this Order, the commissioner of finance and control shall issue a directive forthwith to all state agencies, that henceforth all state contracts and subcontracts for construction on public buildings, other public works and goods and services shall contain a provision rendering such contract or subcontract subject to this Order, and that such contract or subcontract may be cancelled, terminated or suspended by the labor commissioner for violation of or noncompliance with this Order or state or federal laws concerning nondiscrimination, notwithstanding that the labor commissioner is not a party to such contract or subcontract.
- II. Each contractor having a contract containing the provisions prescribed in section 4-114a of the 1969 supplement to the general statutes, shall file, and shall cause each of his subcontractors to file, compliance reports with the contracting agency or the labor commissioner, as may be directed. Such reports shall be filed within such times and shall contain such information as to employment policies and statistics of the contractor and each subcontractor, and shall be in such form as the labor commissioner may prescribe. Bidders or prospective contractors or subcontractors may be required to state whether they have participated in any previous contract subject to the provisions of this Order or any preceding similar Order, and in that event to submit on behalf of themselves and their proposed subcontractors compliance reports prior to or as an initial part of their bid or negotiation of a contract.
- III. Whenever the contractor or subcontractor has a collective bargaining agreement or other contract or understanding with a labor organization or employment agency as defined in section 31-122 of the general statutes, the compliance report shall identify the said organization or agency and the contracting agency or the labor commissioner may require a compliance report to be filed with the contracting agency or the labor commissioner, as may be directed, by such organization or agency, signed by an authorized officer or agent of such organization or agency, with supporting information, to the effect that the signer's practices and policies, including but not limited to matters concerning personnel, training, apprenticeship, membership, grievance and representation, and upgrading, do not discriminate on grounds of race, color, religious creed, age, sex or national origin, or ancestry of any individual, and that the signer will either affirmatively cooperate in the implementation of the policy and provisions of this Order, or that it consents and agrees that recruitment, employment and the terms and conditions of employment under the proposed contract shall be in accordance with the purposes and provisions of the Order.
- IV. The labor commissioner may by regulation exempt certain classes of contracts, subcontracts or purchase orders from the implementation of this Order, for standard commercial supplies or raw materials, for less than specified amounts of money or numbers of workers or for subcontractors below a specified tier. The labor commissioner may also provide by regulation for the exemption of facilities of a contractor which are in all respects separate and distinct from activities of the contractor related to the performance of the state contract, provided only that such exemption will not interfere with or impede the implementation of this Order, and provided further, that in the absence of such an exemption, all facilities shall be covered by the provisions of this Order.

## Exhibit A

- V. Each contracting agency shall be primarily responsible for obtaining compliance with the regulations of the labor commissioner with respect to contracts entered into by such agency or its contractors. All contracting agencies shall comply with the regulations of the labor commissioner in discharging their primary responsibility for securing compliance with the provisions of contracts and otherwise with the terms of this Order and of the regulations of the labor commissioner issued pursuant to this Order. They are directed to cooperate with the labor commissioner and to furnish the labor commissioner such information and assistance as he may require in the performance of his functions under this Order. They are further directed to appoint or designate from among the personnel of each agency, compliance officers, whose duty shall be to seek compliance with the objectives of this Order by conference, conciliation, mediation, or persuasion.
- VI. The labor commissioner may investigate the employment practices and procedures of any state contractor or subcontractor and the practices and policies of any labor organization or employment agency hereinabove described, relating to employment under the state contract, as concerns nondiscrimination by such organization or agency as hereinabove described, or the labor commissioner may initiate such investigation by the appropriate contract agency, to determine whether or not the contractual provisions hereinabove specified or statutes of the state respecting them have been violated. Such investigation shall be conducted in accordance with the procedures established by the labor commissioner and the investigating agency shall report to the labor commissioner any action taken or recommended.
- VII. The labor commissioner shall receive and investigate or cause to be investigated complaints by employees or prospective employees of a state contractor or subcontractor or members or applicants for membership or apprenticeship or training in a labor organization or employment agency hereinabove described, which allege discrimination contrary to the contractual provisions specified hereinabove or state statutes requiring nondiscrimination in employment opportunity. If this investigation is conducted for the labor commissioner by a contracting agency, that agency shall report to the labor commissioner what action has been taken or is recommended with regard to such complaints.
- VIII. The labor commissioner shall use his best efforts, directly and through contracting agencies, other interested federal, state and local agencies, contractors and all other available instrumentalities, including the commission on human rights and opportunities, the executive committee on human rights and opportunities, and the apprenticeship council under its mandate to provide advice and counsel to the labor commissioner in providing equal employment opportunities to all apprentices and to provide training, employment and upgrading opportunities for disadvantaged workers, in accordance with section 31-51(d) of the 1969 supplement to the general statutes, to cause any labor organization or any employment agency whose members are engaged in work under government contracts or referring workers or providing supervising apprenticeship or training for or in the course of work under a state contract or subcontract to cooperate in the implementation of the purposes of this Order. The labor commissioner shall in appropriate cases notify the commission on human rights and opportunities or other appropriate state or federal agencies whenever it has reason to believe that the practices of any such organization or agency violate equal employment opportunity requirements of state or federal law.
- IX. The labor commissioner or any agency officer or employee in the executive branch designated by regulation of the labor commissioner may hold such hearings, public or private, as the labor commissioner may deem advisable for compliance, enforcement or educational purposes under this Order.
- X. (a) The labor commissioner may hold or cause to be held hearings, prior to imposing ordering or recommending the imposition of penalties and sanctions under this Order. No order for disbarment of any contractor from further state contracts shall be made without affording the contractor an opportunity for a hearing. In accordance with such regulations as the labor commissioner may adopt, the commissioner or the appropriate contracting agency may
  1. Publish or cause to be published the names of contractors or labor organizations or employment agencies as hereinabove described which it has concluded have complied or failed to comply with the provisions of this Order or the regulations of the labor commissioner in implementing this Order.
  2. Recommend to the commission on human rights and opportunities that in cases in which there is substantial or material violation or threat thereof of the contractual provision or related state statutes concerned herein, appropriate proceedings be brought to enforce them, including proceedings by the

## Exhibit A

commission on its own motion under chapter 563 of the general statutes and the enjoining, within the limitations of applicable law, of organizations, individuals or groups who prevent directly or indirectly compliance with the provisions of this Order.

3. Recommend that criminal proceedings be brought under chapter 939 of the general statutes.
4. Cancel, terminate, suspend or cause to be cancelled, terminated, or suspended in accordance with law any contract or any portion or portions thereof for failure of the contractor or subcontractor to comply with the nondiscrimination provisions of the contract. Contracts may be cancelled, terminated, suspended absolutely or their continuance conditioned upon a program for future compliance approved by the contracting agency.
5. Provide that any contracting agency shall refrain from entering into any further contracts or extensions or modifications of existing contracts with any contractor until he has satisfied the labor commissioner that he has established and will carry out personnel and employment policies compliant with this Order.
6. Under regulations prescribed by the labor commissioner each contracting agency shall make reasonable efforts with a reasonable period of time to secure compliance with the contract provisions of this Order by methods of conference, conciliation, mediation or persuasion, before other proceedings shall be instituted under this Order or before a state contract shall be cancelled or terminated in whole or in part for failure of the contractor or subcontractor to comply with the contract provisions of state statute and this Order.

(b) Any contracting agency taking any action authorized by this Order, whether on its own motion or as directed by the labor commissioner or pursuant to his regulations shall promptly notify him of such action. Whenever the labor commissioner makes a determination under this Order, he shall promptly notify the appropriate contracting agency and other interested federal, state and local agencies of the action recommended. The state and local agency or agencies shall take such action and shall report the results thereof to the labor commissioner within such time as he shall specify.

- XI. If the labor commissioner shall so direct, contracting agencies shall not enter into contracts with any bidder or prospective contractor unless he has satisfactorily complied with the provisions of this Order, or submits a program for compliance acceptable to the labor commissioner, or if the labor commissioner so authorizes, to the contracting agency.
- XII. Whenever a contracting agency cancels or terminates a contract, or a contractor has been disbarred from further government contracts because of noncompliance with the contract provisions with regard to nondiscrimination, the labor commissioner or the contracting agency shall rescind such disbarment, upon the satisfaction of the labor commissioner that the contractor has purged himself of such noncompliance and will thenceforth carry out personnel and employment policies of nondiscrimination in compliance with the provision of this Order.
- XIII. The labor commissioner may delegate to any officer; agency or employee in the executive branch any function or duty of the labor commissioner under this Order except authority to promulgate regulations of a general nature.
- XIV. This Executive Order supplements the Executive Order issued on September 28, 1967. All regulations, orders, instructions, designations and other directives issued heretofore in these premises, including those issued by the heads of various departments or agencies under or pursuant to prior order or statute, shall remain in full force and effect, unless and until revoked or superceded by appropriate authority, to the extent that they are not inconsistent with this Order.

This Order shall become effective thirty days after the date of this Order.

Dated at Hartford, Connecticut, this 16<sup>th</sup> day of June, 1971

*Thomas J. Meskill*  
Governor

Filed this 16<sup>th</sup> day of June, 1971.

/s/ Harry Hammer  
Secretary of the State



## Exhibit A

State Of Connecticut  
By His Excellency  
Thomas J. Meskill  
Governor

Executive Order No. Seventeen

WHEREAS, Section 31-237 of the General Statutes of Connecticut as amended requires the maintaining of the established free services of the Connecticut State Employment Service to both employers and prospective employees and

WHEREAS, Section 31-5 of the General Statutes of Connecticut requires that no compensation or fee shall be charged or received directly or indirectly for the services of the Connecticut State Employment Service and

WHEREAS, large numbers of our citizens who have served in the Armed Forces of our nation are returning to civilian life in our state and seeking employment in civilian occupations and

WHEREAS, we owe a duty as well as gratitude to these returning veterans including the duty to find suitable employment for them and

WHEREAS, many of our handicapped citizens are fully capable of employment and are entitled to be placed in suitable employment and

WHEREAS, many of the citizens of our state who are unemployed are unaware of the job openings and employment opportunities which do in fact exist in our state and

WHEREAS, notwithstanding the free services of the Connecticut State Employment Service, many of our Connecticut employers do not use its free services or do not avail themselves fully of all the services offered,

NOW, THEREFORE, I, THOMAS J. MESKILL, Governor of the State of Connecticut, acting by virtue of the authority vested in me under the fourth article of the Constitution of the State and in accordance with Section 3-1 of the General Statutes, do hereby ORDER and direct, as follows, by this Executive Order:

- I. The Labor Commissioner shall be responsible for the administration of this Order and shall do all acts necessary and appropriate to achieve its purpose. Upon promulgation of this Order, the Commissioner of Finance and Control shall issue a directive forthwith to all state agencies, that henceforth all state contracts and subcontracts for construction on public buildings, other public works and goods and services shall contain a provision rendering such contract or subcontract subject to this Order, and that such contract or subcontract may be cancelled, terminated or suspended by the Labor Commissioner for violation of or noncompliance with this Order, notwithstanding that the Labor Commissioner is not a party to such contract or subcontract.
- II. Every contractor and subcontractor having a contract with the state or any of its agencies, boards, commissions, or departments, every individual partnership, corporation, or business entity having business with the state or who or which seeks to do business with the state, and every bidder or prospective bidder who submits a bid or replies to an invitation to bid on any state contract shall list all employment openings with the office of the Connecticut State Employment Service in the area where the work is to be performed or where the services are to be rendered.
- III. All state contracts shall contain a clause, which shall be a condition of the contract that the contractor and any subcontractor holding a contract directly under the contractor shall list all employment openings with the Connecticut State Employment Service. The Labor Commissioner may allow exceptions to listings of employment openings, which the contractor proposes to fill from within its organization from employees on the rolls of the contractor on the date of publication of the invitation to bid or the date on which the public announcement was published or promulgated advising of the program concerned.
- IV. Each contracting agency of the state shall be primarily responsible for obtaining compliance with this Executive Order. Each contracting agency shall appoint or designate from among its personnel one or more persons who shall be responsible for compliance with the objectives of this Order.

## Exhibit A

- V. The Labor Commissioner shall be and is hereby empowered to inspect the books, records, payroll and personnel data of each individual or business entity subject to this Executive Order and may hold hearings or conferences, formal or informal, in pursuance of the duties and responsibilities hereunto delegated to the Labor Commissioner.
- VI. The Labor Commissioner or any agency officer or employee in the executive branch designated by regulation of the Labor Commissioner may hold such hearings, public or private, as the Labor Commissioner may deem advisable for compliance, enforcement or educational purposes under this Order.
- VII. (a) The Labor Commissioner may hold or cause to be held hearings, prior to imposing, ordering, or recommending the imposition of penalties and sanctions under this Order. In accordance herewith, the Commissioner or the appropriate contracting agency may suspend, cancel, terminate, or cause to be suspended, cancelled, or terminated in accordance with law any contract or portion or portions thereof for failure of the contractor or subcontractor to comply with the listing provisions of the contract. Contracts may be cancelled, terminated, suspended absolutely or their continuance conditioned upon a program for future compliance approved by the contracting agency.
- (b) Any contracting agency taking any action authorized by this Order, whether on its own motion or as directed by the Labor Commissioner, shall promptly notify him of such action. Whenever the Labor Commissioner makes a determination under this Order, he shall promptly notify the appropriate contracting agency of the action recommended. The agency shall report the results to the Labor Commissioner promptly.
- VIII. If the Labor Commissioner shall so direct, contracting agencies shall not enter into contracts with any bidder or prospective contractor unless he has satisfactorily complied with the provisions of this Order.

This Order shall become effective sixty days after the date of this Order.

Dated at Hartford, Connecticut, this 15<sup>th</sup> day of February 1973.

*/s/ Thomas J. Meskill*  
Governor

Filed this 15<sup>th</sup> day of February 1973.

*/s/ Harry Hammer*  
Secretary of The State (Deputy)

**State of Connecticut**  
**By His Excellency**  
**John G. Rowland**  
**Governor**

**Executive Order No. Sixteen**

WHEREAS, the State of Connecticut recognizes that workplace violence is a growing problem that must be addressed; and

WHEREAS, the State is committed to providing its employees a reasonably safe and healthy working environment, free from intimidation, harassment, threats, and /or violent acts; and

WHEREAS, violence or the threat of violence by or against any employee of the State of Connecticut or member of the public in the workplace is unacceptable and will subject the perpetrator to serious disciplinary action up to and including discharge and criminal penalties.

NOW, THEREFORE, I, John G. Rowland, Governor of the State of Connecticut, acting by virtue of the authority vested in me by the Constitution and by the statutes of this state, do hereby ORDER and DIRECT:

1. That all state agency personnel, contractors, subcontractors, and vendors comply with the following **Violence in the Workplace Prevention Policy:**

The State of Connecticut adopts a statewide zero tolerance policy for workplace violence.

Therefore, except as may be required as a condition of employment?

- o No employee shall bring into any state worksite any weapon or dangerous instrument as defined herein.
- o No employee shall use, attempt to use, or threaten to use any such weapon or dangerous instrument in a state worksite.
- o No employee shall cause or threaten to cause death or physical injury to any individual in a state worksite.

Weapon means any firearm, including a BB gun, whether loaded or unloaded, any knife (excluding a small pen or pocket knife), including a switchblade or other knife having an automatic spring release device, a stiletto, any police baton or nightstick or any martial arts weapon or electronic defense weapon.

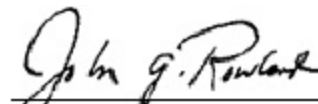
Dangerous instrument means any instrument, article, or substance that, under the circumstances, is capable of causing death or serious physical injury.

Violation of the above reasonable work rules shall subject the employee to disciplinary action up to and including discharge.

2. That each agency must prominently post this policy and that all managers and supervisors must clearly communicate this policy to all state employees
3. That all managers and supervisors are expected to enforce this policy fairly and uniformly.
4. That any employee who feels subjected to or witnesses violent, threatening, harassing, or intimidating behavior in the workplace immediately report the incident or statement to their supervisor, manager, or human resources office.
5. That any employee who believes that there is a serious threat to their safety or the safety of others that requires immediate attention notify proper law enforcement authorities and his or her manager or supervisor.
6. That any manager or supervisor receiving such a report shall immediately contact their human resources office to evaluate, investigate and take appropriate action.

7. That all parties must cooperate fully when questioned regarding violations of this policy.
8. That all parties be advised that any weapon or dangerous instrument at the worksite will be confiscated and that there is no reasonable expectation of privacy with respect to such items in the workplace.
9. That this order applies to all state employees in the executive branch.
10. That each agency will monitor the effective implementation of this policy.
11. That this order shall take effect immediately.

Dated in Hartford, Connecticut, this fourth day of August, 1999.

  
JOHN G. ROWLAND, Governor

Filed this 4th day of August 1999.

/s/ Susan Bysiewicz

SUSAN BYSIEWICZ, Secretary of the State



**Disclosure of Known and/or Potential Conflicts of Interest**

*Please disclose all known and/or potential conflicts of interest. If you do not have any conflicts to disclose, either insert the word "None" or leave the space blank below:*



**ATTACHMENT 2**

**INSURANCE CERTIFICATION**

I, \_\_\_\_\_, a duly authorized officer and/or representative of \_\_\_\_\_ (“Contractor”), being duly sworn, hereby certify and attest that:

As of the date hereof, Contractor has obtained and shall maintain the following insurance and fidelity bond coverage in the following amounts in accordance with the terms of the Agreement by and between Contractor and the Treasurer of the State of Connecticut, *(please detail the coverage, including name of provider, name of applicable loss payees, amount and type of coverage)*:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Sworn as true to the best of my knowledge and belief, false statement punishable under law:

\_\_\_\_\_  
Print Name:  
Title:

\_\_\_\_\_  
Date

Sworn and subscribed before me on this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_,

\_\_\_\_\_  
Notary Public

**NON-DISCRIMINATION CERTIFICATION**

I, [signer's name], [signer's title], of [name of entity], an entity lawfully organized and existing under the laws of [name of state or commonwealth], do hereby certify that the following is a true and correct copy of a resolution adopted on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by the governing body of [name of entity], in accordance with all of its documents of governance and management and the laws of name of [state or commonwealth], and further certify that such resolution has not been modified, rescinded or revoked, and is, at present, in full force and effect.

RESOLVED: That [name of entity] hereby adopts as its policy to support the nondiscrimination agreements and warranties required under Connecticut General Statutes § 4a-60(a)(1) and § 4a-60a(a)(1), as amended in State of Connecticut Public Act 07-245 and sections 9(a)(1) and 10(a)(1) of Public Act 07-142.

WHEREFORE, the undersigned has executed this certificate this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Signature

STATE OF CONNECTICUT  
OFFICE OF THE STATE TREASURER

**AFFIDAVIT OF THIRD PARTY FEES AND  
DISCLOSURE OF CONSULTING AGREEMENTS**

I, \_\_\_\_\_, a duly authorized officer and/or representative of \_\_\_\_\_, being duly sworn, hereby depose and say that:

1. I am over eighteen (18) years of age and believe in the obligations of an oath.
2. \_\_\_\_\_ (firm name) intends to enter into a contract to furnish services to the Office of the State Treasurer (the "Contract").
3. All third party fees, agreements to pay third party fees, and consulting agreements attributable to the Contract are as follows:

NAME OF PAYEE	DOLLAR AMOUNT PAID OR VALUE OF NON-CASH COMPENSATION AND DATE	FEE ARRANGEMENT	SPECIFIC SERVICES PERFORMED OR TO BE PERFORMED BY PAYEE <sup>1</sup>

(Attach additional copies of this page as necessary.)

**NOTE: For each third party fee or consulting arrangement described above, complete the attached Form A3a.**

4. The information set forth herein is true, complete and accurate to the best of my knowledge and belief under penalty of perjury.

Signed: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

Notary Public/Commissioner of the Superior Court

70\_\_\_\_\_

Please attach documents evidencing the terms of the fee arrangement and services.



**STATE OF CONNECTICUT  
OFFICE OF THE STATE TREASURER**

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**ADDENDUM TO AFFIDAVIT OF THIRD PARTY FEES**

A. For each fee arrangement disclosed in the attached Affidavit, provide the following information about the third party payee:

- (1) Name
- (2) Address
- (3) Is the person or entity registered with the Securities and Exchange Commission, a state regulatory authority or FINRA? If so, provide details
- (4) Name of the President/Chief Executive Officer
- (5) Name, telephone number and email address of the individual principally responsible for work performed in connection with the contract, investment or proposed investment with the Office of the Treasurer

B. Please explain whether and how each such payment falls within one or more of the following categories of compensation providing an exception to the prohibition on finder's fees:

- (1) Compensation earned for the rendering of legal services when provided by an attorney while engaged in the ongoing practice of law;
- (2) Compensation earned for the rendering of investment services, other than legal services, when provided by an investment professional while engaged in the ongoing business of providing investment services;
- (3) Compensation for placement agent, due diligence or comparable tangible marketing services when paid to a person who is an investment professional (i) engaged in the ongoing business of representing providers of investment services, or (ii) in connection with the issuance of bonds, notes or other evidence of indebtedness by a public agency;
- (4) Compensation earned by a licensed real estate broker or real estate salesperson while engaging in the real estate business on an ongoing basis; or
- (5) Payments for client solicitation activities meeting the requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940.

C. Attach a copy of the agreement evidencing the terms of the fee arrangement and the services, **and** provide a narrative description of any services actually rendered by the third party payee in connection with the contract, investment or proposed investment with the Office of the Treasurer.

## ATTACHMENT 4

D. For each fee arrangement disclosed in the affidavit, please respond to the following:

- (1) Is the fee paid to a former state employee or public official? If so, please identify such person's former agency, position and the date such employment was terminated.

"Consulting agreement" shall have the meaning set forth in Section 4a-81(b)(1).

"Third party fees" includes those activities enumerated in Section 3-13j of the Connecticut General Statutes, and includes direct and indirect payments, such as payments by a placement agent to a subagent.

E. Respondents disclosing payments to, or agreements to pay, placement agents have a duty to inquire and shall report any payments to, or agreements to pay, subagents, and provide all information and documentation requested under A through D, above, with respect to any sub-agent.

Please provide the requested information, and notarize where indicated. If you have no fees or agreements to report, please insert "none" on the affidavit.

*Attach additional pages as necessary.*

**SEEC FORM 10: NOTICE TO EXECUTIVE BRANCH STATE CONTRACTORS AND PROSPECTIVE STATE CONTRACTORS OF CAMPAIGN CONTRIBUTION AND SOLICITATION BAN**

This notice is provided under the authority of Connecticut General Statutes 9-612(g)(2), as amended by P.A. 07-1, and is for the purpose of informing state contractors and prospective state contractors of the following law (italicized words are defined on page 2):

**Campaign Contribution and Solicitation Ban**

No *state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor*, with regard to a *state contract or state contract solicitation* with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder of a valid prequalification certificate, shall make a contribution to, or *solicit* contributions on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee;

In addition, no holder or principal of a holder of a valid prequalification certificate, shall make a contribution to, or solicit contributions on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of State senator or State representative, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee.

**Duty to Inform**

State contractors and prospective state contractors are required to inform their principals of the above prohibitions, as applicable, and the possible penalties and other consequences of any violation thereof.

**Penalties for Violations**

Contributions or solicitations of contributions made in violation of the above prohibitions may result in the following civil and criminal penalties:

Civil penalties--\$2000 or twice the amount of the prohibited contribution, whichever is greater, against a principal or a contractor. Any state contractor or prospective state contractor which fails to make reasonable efforts to comply with the provisions requiring notice to its principals of these prohibitions and the possible consequences of their violations may also be subject to civil penalties of \$2000 or twice the amount of the prohibited contributions made by their principals.

Criminal penalties—Any knowing and willful violation of the prohibition is a Class D felony, which may subject the violator to imprisonment of not more than 5 years, or \$5000 in fines, or both.

**Contract Consequences**

Contributions made or solicited in violation of the above prohibitions may result, in the case of a state contractor, in the contract being voided.

Contributions made or solicited in violation of the above prohibitions, in the case of a prospective state contractor, shall result in the contract described in the state contract solicitation not being awarded to the prospective state contractor, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

The state will not award any other state contract to anyone found in violation of the above prohibitions for a period of one year after the election for which such contribution is made or solicited, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

Receipt acknowledged: \_\_\_\_\_  
(Signature) (Date)

Print name: \_\_\_\_\_ Title: \_\_\_\_\_

Company Name: \_\_\_\_\_

Definitions:

"State contractor" means a person, business entity or nonprofit organization that enters into a state contract. Such person, business entity or nonprofit organization shall be deemed to be a state contractor until December thirty-first of the year in which such contract terminates. "State contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Prospective state contractor" means a person, business entity or nonprofit organization that (i) submits a response to a state contract solicitation by the state, a state agency or a quasi-public agency, or a proposal in response to a request for proposals by the state, a state agency or a quasi-public agency, until the contract has been entered into, or (ii) holds a valid prequalification certificate issued by the Commissioner of Administrative Services under section 4a-100. "Prospective state contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Principal of a state contractor or prospective state contractor" means (i) any individual who is a member of the board of directors of, or has an ownership interest of five per cent or more in, a state contractor or prospective state contractor, which is a business entity, except for an individual who is a member of the board of directors of a nonprofit organization, (ii) an individual who is employed by a state contractor or prospective state contractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a state contractor or prospective state contractor, which is not a business entity, or if a state contractor or prospective state contractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any state contractor or prospective state contractor who has managerial or discretionary responsibilities with respect to a state contract, (v) the spouse or a dependent child who is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by an individual described in this subparagraph or the business entity or nonprofit organization that is the state contractor or prospective state contractor.

"State contract" means an agreement or contract with the state or any state agency or any quasi-public agency, let through a procurement process or otherwise, having a value of fifty thousand dollars or more, or a combination or series of such agreements or contracts having a value of one hundred thousand dollars or more in a calendar year, for (i) the rendition of services, (ii) the furnishing of any goods, material, supplies, equipment or any items of any kind, (iii) the construction, alteration or repair of any public building or public work, (iv) the acquisition, sale or lease of any land or building, (v) a licensing arrangement, or (vi) a grant, loan or loan guarantee. "State contract" does not include any agreement or contract with the state, any state agency or any quasi-public agency that is exclusively federally funded, an education loan or a loan to an individual for other than commercial purposes.

"State contract solicitation" means a request by a state agency or quasi-public agency, in whatever form issued, including, but not limited to, an invitation to bid, request for proposals, request for information or request for quotes, inviting bids, quotes or other types of submittals, through a competitive procurement process or another process authorized by law waiving competitive procurement.

"Managerial or discretionary responsibilities with respect to a state contract" means having direct, extensive and substantive responsibilities with respect to the negotiation of the state contract and not peripheral, clerical or ministerial responsibilities.

"Dependent child" means a child residing in an individual's household who may legally be claimed as a dependent on the federal income tax of such individual.

"Solicit" means (A) requesting that a contribution be made, (B) participating in any fund-raising activities for a candidate committee, exploratory committee, political committee or party committee, including, but not limited to, forwarding tickets to potential contributors, receiving contributions for transmission to any such committee or bundling contributions, (C) serving as chairperson, treasurer or deputy treasurer of any such committee, or (D) establishing a political committee for the sole purpose of soliciting or receiving contributions for any committee. Solicit does not include: (i) making a contribution that is otherwise permitted by Chapter 155 of the Connecticut General Statutes; (ii) informing any person of a position taken by a candidate for public office or a public official, (iii) notifying the person of any activities of, or contact information for, any candidate for public office; or (IV) serving as a member in any party committee or as an officer of such committee that is not otherwise prohibited in this section.



## ATTACHMENT 6

### EMPLOYMENT INFORMATION REPORT

### OFFICE OF THE STATE TREASURER

Please download the report form at [www.state.ct.gov/ott](http://www.state.ct.gov/ott). Click on the Doing Business Link and then on the Compliance tab.

STATE OF CONNECTICUT  
OFFICE OF THE STATE TREASURER

Gift Affidavit

COMPANY NAME: \_\_\_\_\_ (the "Contractor")

I, \_\_\_\_\_, am authorized to submit a proposal on \_\_\_\_\_  
(name and title)

behalf of the Contractor. I hereby certify that between September 1, 2008 and the date of the execution of the attached contract that neither I, the Contractor, nor any of its principals or key personnel who participated directly, extensively and substantially in the preparation of the bid or proposal or in the negotiation of this contract, nor any agent of the above, gave a gift, as defined in Conn. Gen. Stat. § 1-79(e), including a life event gift as defined in Conn. Gen. Stat. § 1-79(e)(12), to: (1) any public official or state employee of the Office of the State Treasurer who participated directly, extensively, and substantially in the preparation of the bid solicitation or request for proposals for the contract or in the negotiation or award of this contract; or (2) any public official or state employee of any other state agency who has supervisory or appointing authority over the Office of the State Treasurer.

Further, neither I nor any principals or key personnel of the Contractor, nor any agent of the above, knows of any action by Contractor to circumvent such prohibition on gifts by providing for any other principals, key personnel, officials, employees of Contractor, nor any agent of the above, to provide a gift to any such public official or state employee.

Further, the Contractor made its bid or proposal without fraud or collusion with any person.

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

\_\_\_\_\_  
Signature Date

Sworn and subscribed before me on this \_\_\_\_\_ day of \_\_\_\_\_, 200

\_\_\_\_\_  
Commissioner of the Superior Court/Notary Public

# Exhibit B

Pricing Schedule

Fee Table

Advisor Plan

## EXHIBIT B – PRICING SCHEDULE

### DIRECT PLAN

Please propose a pricing schedule based on (a) the fees to be charged related to the underlying investments, (b) the proposed management fee, and (c) the State Administrative fee which is 0.01% (one basis point).

You may propose (i) one constant fee for all investment options, regardless of underlying investments or (ii) a fee based on the sum of (a), (b), and (c) above. You may also present proposals using both (i) and (ii), and have the final determination made during final contract negotiations.

Indicate whether the fees are proposed to be consistent over the 5 year term of the contract, or whether changes in fees are proposed. If fees are to change during the contract, please show all fees for all years.

State the fees for each investment option using the format in the current CHET disclosure booklet on page 13 – as shown below. If fees are to change during the contract, please show all fees for all years.



Fee Table

ANNUAL ASSET-BASED FEES				
Investment Option	Program Manager Fee <sup>(1)(2)</sup>	Estimated Underlying Mutual Fund Expenses <sup>(3)</sup>	State Fee <sup>(1)(4)</sup>	Total Annual Asset-Based Fees <sup>(5)</sup>
<b>Managed Allocation Option</b>				
Age Band 1 (0-3 Years)	0.46%	0.18%	0.01%	0.65%
Age Band 2 (4-7 Years)	0.43%	0.21%	0.01%	0.65%
Age Band 3 (8-11 Years)	0.40%	0.24%	0.01%	0.65%
Age Band 4 (12-14 Years)	0.38%	0.26%	0.01%	0.65%
Age Band 5 (15-17 Years)	0.40%	0.24%	0.01%	0.65%
Age Band 6 (18 and over)	0.43%	0.21%	0.01%	0.65%
<b>Aggressive Managed Allocation Option</b> (Available November 19, 2007)				
Age Band 1 (0-3 Years)	0.50%	0.14%	0.01%	0.65%
Age Band 2 (4-7 Years)	0.47%	0.17%	0.01%	0.65%
Age Band 3 (8-11 Years)	0.44%	0.20%	0.01%	0.65%
Age Band 4 (12-14 Years)	0.42%	0.22%	0.01%	0.65%
Age Band 5 (15-17 Years)	0.40%	0.24%	0.01%	0.65%
Age Band 6 (18 and over)	0.41%	0.23%	0.01%	0.65%
<b>High Equity Option</b>	0.42%	0.22%	0.01%	0.65%
<b>100% Equity Index Option</b>	0.55%	0.09%	0.01%	0.65%
<b>100% Fixed-Income Option</b>	0.305%	0.335%	0.01%	0.65%
<b>Social Choice Option</b> (Available November 19, 2007)	0.42%	0.22%	0.01%	0.65%
<b>Money Market Option</b> (Available February 18, 2008)	0.49%	0.15%	0.01%	0.65%
<b>Principal Plus Interest Option</b>	None <sup>(6)</sup>	None	None <sup>(6)</sup>	None

- (1) The Program Manager Fee and the State Fee are the only fees deducted from Program assets. These fees may change at any time. Although there are no fees that are deducted from your Account, when you invest in the Program, you bear a pro rata portion of the Program expenses because when fees are deducted from Program assets, the value of the Trust Units is reduced.

## EXHIBIT B - ADVISOR PLAN

If Bidder's proposal includes a proposed Advisor Plan, present a fee schedule for the Advisor Plan in addition to the fee schedule proposed with respect to the Direct Plan.

### OTHER PROPOSED COSTS

If the Bidder proposes any other charges, they must be clearly described below. Any charge for services not addressed in the pricing schedule in your Proposal will not be allowed or paid pursuant to the terms of the Agreement.

Please define item, unit, and cost. Information may be included on additional pages, if necessary.

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Company

\_\_\_\_\_  
Date

# Exhibit C

Legal and Policy (Attachments A-L)

***Prior to completing these attachments,  
please refer to directions following Attachment L.***

## EXHIBIT C

## ATTACHMENT A

### COMMISSION ON HUMAN RIGHTS AND OPPORTUNITIES CONTRACT COMPLIANCE REGULATIONS

#### NOTIFICATION TO BIDDERS

(Revised 09/17/07)

The contract to be awarded is subject to contract compliance requirements mandated by Sections 4a-60 and 4a-60a of the Connecticut General Statutes; and, when the awarding agency is the State, Sections 46a-71(d) and 46a-81i(d) of the Connecticut General Statutes. There are Contract Compliance Regulations codified at Section 46a-68j-21 through 43 of the Regulations of Connecticut State Agencies, which establish a procedure for awarding all contracts covered by Sections 4a-60 and 46a-71(d) of the Connecticut General Statutes.

According to Section 46a-68j-30(9) of the Contract Compliance Regulations, every agency awarding a contract subject to the contract compliance requirements has an obligation to “aggressively solicit the participation of legitimate minority business enterprises as bidders, contractors, subcontractors and suppliers of materials.” “Minority business enterprise” is defined in Section 4a-60 of the Connecticut General Statutes as a business wherein fifty-one percent or more of the capital stock, or assets belong to a person or persons: “(1) Who are active in daily affairs of the enterprise; (2) who have the power to direct the management and policies of the enterprise; and (3) who are members of a minority, as such term is defined in subsection (a) of Section 32-9n.” “Minority” groups are defined in Section 32-9n of the Connecticut General Statutes as “(1) Black Americans . . . (2) Hispanic Americans . . . (3) persons who have origins in the Iberian Peninsula . . . (4) Women . . . (5) Asian Pacific Americans and Pacific Islanders; (6) American Indians . . .” An individual with a disability is also a minority business enterprise as provided by Section 4a-60g of the Connecticut General Statutes. The above definitions apply to the contract compliance requirements by virtue of Section 46a-68j-21(11) of the Contract Compliance Regulations.

The awarding agency will consider the following factors when reviewing the bidder’s qualifications under the contract compliance requirements:

- (a) the bidder’s success in implementing an affirmative action plan;
- (b) the bidder’s success in developing an apprenticeship program complying with Sections 46a-68-1 to 46a-68-17 of the Administrative Regulations of Connecticut State Agencies, inclusive;
- (c) the bidder’s promise to develop and implement a successful affirmative action plan;
- (d) the bidder’s submission of employment statistics contained in the “Employment Information Form”, indicating that the composition of its workforce is at or near parity when compared to the racial and sexual composition of the workforce in the relevant labor market area; and
- (e) the bidder’s promise to set aside a portion of the contract for legitimate minority business enterprises. See Section 46a-68j-30(10)(E) of the Contract Compliance Regulations.

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#### INSTRUCTIONS AND OTHER INFORMATION

The following BIDDER CONTRACT COMPLIANCE MONITORING REPORT must be completed in full, signed, and submitted with the bid for this contract. The contract awarding agency and the Commission on Human Rights and Opportunities will use the information contained thereon to determine the bidders compliance to Sections 4a-60 and 4a-60a CONN. GEN. STAT., and Sections 46a-68j-23 of the Regulations of Connecticut State Agencies regarding equal employment opportunity, and the bidder’s good faith efforts to include minority business enterprises as subcontractors and suppliers for the work of the contract.

##### 1) Definition of Small Contractor

Section 4a-60g CONN. GEN. STAT. defines a small contractor as a company that has been doing business under the same management and control and has maintained its principal place of business in Connecticut for a one year period immediately prior to its application for certification under this section, had gross revenues not exceeding ten million dollars in the most recently completed fiscal year, and at least fifty-one percent of the ownership of which is held by a person or persons who are active in the daily affairs of the company, and have the power to direct the management and policies of the company, except that a nonprofit corporation shall be construed to be a small contractor if such nonprofit corporation meets the requirements of subparagraphs (A) and (B) of subdivision 4a-60g CONN. GEN. STAT.

## 2) Description of Job Categories (for Part IV Bidder Employment Information)

### DEFINITIONS

Executive/Senior Level Officials and Managers. Individuals who plan, direct and formulate policies, set strategy and provide the overall direction of enterprises/organizations for the development and delivery of products or services, including investment management services, within the parameters approved by boards of directors or other governing bodies. Residing in the highest levels of organizations, these executives plan, direct or coordinate activities with the support of subordinate executives and staff managers. They include, in larger organizations, those individuals within two reporting levels of the CEO, whose responsibilities require frequent interaction with the CEO. Examples of these kinds of managers are: chief executive officers, chief operating officers, chief financial officers, line of business heads, presidents or executive vice presidents of functional areas or operating groups, chief information officers, chief investment officers and/or senior portfolio managers, chief human resources officers, chief marketing officers, chief legal officers, management directors and managing partners.

First/Mid Level Officials and Managers. Individuals who serve as managers, other than those who serve as Executive/Senior Level Officials and Managers, including those who oversee and direct the delivery of products, services or functions at group, regional or divisional levels of organizations. These managers receive directions from the Executive/Senior Level management and typically lead major business units. They implement policies, programs and directives of executive/senior management through subordinate managers and within the parameters set by Executive/Senior Level management. Examples of these kinds of managers are: vice presidents and directors, group, regional or divisional controllers; treasurers; human resources, information systems, marketing, and operations managers. The First/Mid Level Officials and Managers subcategory also includes those who report directly to middle managers. These individuals serve at functional, line of business segment or branch levels and are responsible for directing and executing the day-to-day operational objectives of enterprises/organizations, conveying the directions of higher level officials and managers to subordinate personnel and, in some instances, directly supervising the activities of exempt and non-exempt personnel. Examples of these kinds of managers are: portfolio managers; first-line managers; team managers; unit managers; operations and production managers; branch managers; administrative services managers; purchasing and transportation managers; storage and distribution managers; call center or customer service managers; technical support managers; and brand or product managers.

Professionals. Most jobs in this category require bachelor and graduate degrees, and/or professional certification. In some instances, comparable experience may establish a person's qualifications. Examples of these kinds of positions include: accountants and auditors; airplane pilots and flight engineers; analysts (budget, credit, financial, management); architects; artists; chemists; computer programmers; designers; dieticians; economists; editors; engineers; human resource specialists; lawyers; librarians; mathematical scientists; natural scientists; registered nurses; physical scientists; physicians and surgeons; social scientists; teachers; and surveyors.

Sales Workers. These jobs include non-managerial activities that wholly and primarily involve direct sales. Examples of these types of positions include: advertising sales agents; insurance sales agents; real estate brokers and sales agents; wholesale sales representatives; securities, commodities, and financial services sales agents; telemarketers; demonstrators; retail salespersons; counter and rental clerks; and cashiers.

Administrative Support Workers. These jobs involve non-managerial tasks providing administrative and support assistance, primarily in office settings. Examples of these types of positions include: office and administrative support workers; bookkeeping; accounting and auditing clerks; cargo and freight agents; dispatchers; couriers; data entry keyers; computer operators; shipping, receiving and traffic clerks; word processors and typists; proofreaders; desktop publishers; and general office clerks.

3) Definition of Racial and Ethnic Terms (as used in Part IV Bidder Employment Information)

White (not of Hispanic Origin)- All persons having origins in any of the original peoples of Europe, North Africa, or the Middle East.

Black(not of Hispanic Origin)- All persons having origins in any of the Black racial groups of Africa.

Hispanic- All persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin, regardless of race.

Asian or Pacific Islander- All persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands. This area includes China, India, Japan, Korea, the Philippine Islands, and Samoa.

American Indian or Alaskan Native- All persons having origins in any of the original peoples of North America, and who maintain cultural identification through tribal affiliation or community recognition.

# BIDDER CONTRACT COMPLIANCE MONITORING REPORT

## PART I - Bidder Information

Company Name Street Address City & State Chief Executive	Bidder Federal Employer Identification Number _____ Or Social Security Number _____
Major Business Activity (brief description)	Bidder Identification (response optional/definitions on page 1)  -Bidder is a small contractor. Yes__ No__ -Bidder is a minority business enterprise Yes__ No__ (If yes, check ownership category) Black__ Hispanic__ Asian American__ American Indian/Alaskan Native__ Iberian Peninsula__ Individual(s) with a Physical Disability__ Female__  - Bidder is certified as above by State of CT Yes__ No__  - DAS Certification Number _____
Bidder Parent Company (If any)	
Other Locations in Ct. (If any)	

## PART II - Bidder Nondiscrimination Policies and Procedures

1. Does your company have a written Affirmative Action/Equal Employment Opportunity statement posted on company bulletin boards? Yes__ No__	7. Do all of your company contracts and purchase orders contain non-discrimination statements as required by Sections 4a-60 & 4a-60a Conn. Gen. Stat.? Yes__ No__
2. Does your company have the state-mandated sexual harassment prevention in the workplace policy posted on company bulletin boards? Yes__ No__	8. Do you, upon request, provide reasonable accommodation to employees, or applicants for employment, who have physical or mental disability?  Yes__ No__
3. Do you notify all recruitment sources in writing of your company's Affirmative Action/Equal Employment Opportunity policy? Yes__ No__	9. Does your company have a mandatory retirement age for all employees? Yes__ No__
4. Do your company advertisements contain a written statement that you are an Affirmative Action/Equal Opportunity Employer? Yes__ No__	10. If your company has 50 or more employees, have you provided at least two (2) hours of sexual harassment training to all of your supervisors?  Yes__ No__ NA__
5. Do you notify the Ct. State Employment Service of all employment openings with your company? Yes__ No__	11. If your company has apprenticeship programs, do they meet the Affirmative Action/Equal Employment Opportunity requirements of the apprenticeship standards of the Ct. Dept. of Labor? Yes__ No__ NA__
6. Does your company have a collective bargaining agreement with workers?  Yes__ No__ 6a. If yes, do the collective bargaining agreements contain non-discrimination clauses covering all workers? Yes__ No__  6b. Have you notified each union in writing of your commitments under the nondiscrimination requirements of contracts with the state of Ct?  Yes__ No__	12. Does your company have a written affirmative action Plan? Yes__ No__ If no, please explain.  13. Is there a person in your company who is responsible for equal employment opportunity? Yes__ No__ If yes, give name and phone number.  _____ _____

### Part III - Bidder Subcontracting Practices

1. Will the work of this contract include subcontractors or suppliers? Yes\_\_ No\_\_

1a. If yes, please list all subcontractors and suppliers and report if they are a small contractor and/or a minority business enterprise. (defined on page 1 / use additional sheet if necessary)

1b. Will the work of this contract require additional subcontractors or suppliers other than those identified in 1a. above?  
Yes\_\_ No\_\_



PART IV - Bidder Employment Information

**PLEASE GO TO [WWW.CT.GOV/OTT](http://WWW.CT.GOV/OTT) AND CLICK ON THE DOING BUSINESS LINK AND THEN ON THE “COMPLIANCE” TAB TO DOWNLOAD A FILLABLE EMPLOYER INFORMATION FORM.**

**PLEASE PROVIDE EMPLOYMENT DATA FOR THE CURRENT YEAR AND EACH OF THE PREVIOUS 2 YEARS (for a total of 3 years data).**

**PART V - Bidder Hiring and Recruitment Practices**

1. Which of the following recruitment sources are used by you? (Check yes or no, and report percent used)				2. Check (X) any of the below listed requirements that you use as a hiring qualification  (X)		3. Describe below any other practices or actions that you take which show that you hire, train, and promote employees without discrimination
SOURCE	YES	NO	% of applicants provided by source			
State Employment Service					Work Experience	
Private Employment Agencies					Ability to Speak or Write English	
Schools and Colleges					Written Tests	
Newspaper Advertisement					High School Diploma	
Walk Ins					College Degree	
Present Employees					Union Membership	
Labor Organizations					Personal Recommendation	
Minority/Community Organizations					Height or Weight	
Others (please identify)					Car Ownership	
					Arrest Record	
					Wage Garnishments	

**Certification (Read this form and check your statements on it CAREFULLY before signing). I certify that the statements made by me on this BIDDER CONTRACT COMPLIANCE MONITORING REPORT are complete and true to the best of my knowledge and belief, and are made in good faith. I understand that if I knowingly make any misstatements of facts, I am subject to be declared in non-compliance with Section 4a-60, 4a-60a, and related sections of the CONN. GEN. STAT.**

(Signature)	(Title)	(Date Signed)	(Telephone)
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CERTIFICATION

*(By corporate or other business entity regarding support of nondiscrimination against persons on account of their race, color, religious creed, age, marital or civil union status, national origin, ancestry, sex, mental retardation, physical disability or sexual orientation.)*

“I \_\_\_\_\_ (signer’s name) \_\_\_\_\_, \_\_\_\_\_ (signer’s title) \_\_\_\_\_ of \_\_\_\_\_ (name of entity) \_\_\_\_\_, an entity lawfully organized and existing under the laws of \_\_\_\_\_ (name of state or commonwealth) \_\_\_\_\_, do hereby certify that the following is a true and correct copy of a resolution adopted on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by the governing body of \_\_\_\_\_ (name of entity) \_\_\_\_\_, in accordance with all of its documents of governance and management and the laws of \_\_\_\_\_ (name of state or commonwealth) \_\_\_\_\_, and further certify that such resolution has not been modified, rescinded or revoked, and is, at present, in full force and effect.

RESOLVED: That \_\_\_\_\_ (name of entity) \_\_\_\_\_ hereby adopts as its policy to support the nondiscrimination agreements and warranties required under Connecticut General Statutes § 4a-60(a)(1) and § 4a-60a(a)(1), as amended in State of Connecticut Public Act 07-245 and sections 9(a)(1) and 10(a)(1) of Public Act 07-142.

IN WITNESS WHEREOF, the undersigned has executed this certificate this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

By : \_\_\_\_\_

Print Name:

Title: \_\_\_\_\_

STATE OF CONNECTICUT  
OFFICE OF THE STATE TREASURER

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EMPLOYMENT PRACTICES INFORMATION

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COMPANY Name \_\_\_\_\_ (“Respondent”)

Please provide the following information:

- a. A current list of the titles and years of employment of women and minority key managers and/or senior officers.
- b. Documentation of any promotions in the past three (3) years among
  - i. minority professionals or managers
  - ii. women professionals and managers
- c. A copy of your firm’s equal opportunity and affirmative action policy.
- d. Any other information that would demonstrate the firm’s commitment to expanding diversity in the workplace, including recruiting initiatives, retention and promotion efforts, and ongoing assessment of the firm’s progress.

The undersigned, on behalf of the company identified above, hereby certifies that the information provided in response to this Attachment C is true and accurate to the best of his/her knowledge and belief under penalty of false statement.

Certifying Official:

Signature \_\_\_\_\_

\_\_\_\_\_  
(type name and title)

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
Notary Public/Commissioner of the Superior Court

FORM A3: FOR COMPLETION BY ALL VENDORS BEFORE CONTRACTING

STATE OF CONNECTICUT
OFFICE OF THE STATE TREASURER

AFFIDAVIT OF THIRD PARTY FEES AND
DISCLOSURE OF CONSULTING AGREEMENTS

I, \_\_\_\_\_, a duly authorized officer and/or
representative of \_\_\_\_\_, being duly sworn, hereby
depose and say that:

- 3. I am over eighteen (18) years of age and believe in the obligations of an oath.
4. \_\_\_\_\_ (firm name) intends to enter into a contract to furnish
services to the Office of the State Treasurer (the "Contract").
3. All third party fees, agreements to pay third party fees, and consulting agreements attributable to the
Contract are as follows:

Table with 4 columns: NAME OF PAYEE, DOLLAR AMOUNT PAID OR VALUE OF NON-CASH COMPENSATION AND DATE, FEE ARRANGEMENT, SPECIFIC SERVICES PERFORMED OR TO BE PERFORMED BY PAYEE^2

(Attach additional copies of this page as necessary.)
NOTE: For each third party fee or consulting arrangement described above, complete the
attached Form A3a.

4. The information set forth herein is true, complete and accurate to the best of my knowledge and
belief under penalty of perjury.

Signed: \_\_\_\_\_
Print Name: \_\_\_\_\_
Title: \_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
Notary Public/Commissioner of the Superior Court

90 \_\_\_\_\_
^2 Please attach documents evidencing the terms of the fee arrangement and services.

**STATE OF CONNECTICUT  
OFFICE OF THE STATE TREASURER**

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**ADDENDUM TO AFFIDAVIT OF THIRD PARTY FEES**

A. For each fee arrangement disclosed in the attached Affidavit, provide the following information about the third party payee:

- (1) Name
- (2) Address
- (3) Is the person or entity registered with the Securities and Exchange Commission, a state regulatory authority or FINRA? If so, provide details
- (4) Name of the President/Chief Executive Officer
- (5) Name, telephone number and email address of the individual principally responsible for work performed in connection with the contract, investment or proposed investment with the Office of the Treasurer

B. Please explain whether and how each such payment falls within one or more of the following categories of compensation providing an exception to the prohibition on finder's fees:

- (1) Compensation earned for the rendering of legal services when provided by an attorney while engaged in the ongoing practice of law;
- (2) Compensation earned for the rendering of investment services, other than legal services, when provided by an investment professional while engaged in the ongoing business of providing investment services;
- (3) Compensation for placement agent, due diligence or comparable tangible marketing services when paid to a person who is an investment professional (i) engaged in the ongoing business of representing providers of investment services, or (ii) in connection with the issuance of bonds, notes or other evidence of indebtedness by a public agency;
- (4) Compensation earned by a licensed real estate broker or real estate salesperson while engaging in the real estate business on an ongoing basis; or
- (6) Payments for client solicitation activities meeting the requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940.

C. Attach a copy of the agreement evidencing the terms of the fee arrangement and the services, **and** provide a narrative description of any services actually rendered by the third party payee in connection with the contract, investment or proposed investment with the Office of the Treasurer.

D. For each fee arrangement disclosed in the affidavit, please respond to the following:

- (2) Is the fee paid to a former state employee or public official? If so, please identify such person's former agency, position and the date such employment was terminated.

“Consulting agreement” shall have the meaning set forth in Section 4a-81(b)(1).

“Third party fees” includes those activities enumerated in Section 3-13j of the Connecticut General Statutes, and includes direct and indirect payments, such as payments by a placement agent to a subagent.

E. Respondents disclosing payments to, or agreements to pay, placement agents have a duty to inquire and shall report any payments to, or agreements to pay, subagents, and provide all information and documentation requested under A through D, above, with respect to any sub-agent.

**ATTACHMENT E**

**STATE OF CONNECTICUT  
OFFICE OF THE STATE TREASURER**

**Gift Affidavit**

**COMPANY NAME:** \_\_\_\_\_ (“Respondent”)

I, \_\_\_\_\_, am  
authorized

(name and title)

to submit a proposal on behalf of the Respondent. I hereby certify that between September 1, 2008 [planning date] and the date of the attached proposal that neither I, the Respondent, nor any of its principals or key personnel who participated directly, extensively and substantially in the preparation of the bid or proposal, nor any agent of the above, gave a gift, as defined in Conn. Gen. Stat. § 1-79(e), including a life event gift as defined in Conn. Gen. Stat. § 1-79(e)(12), to (1) any public official or state employee of the Office of the State Treasurer who participated directly, extensively, and substantially in the preparation of the bid solicitation or request for proposals for the contract; or (2) any public official or state employee of any other state agency who has supervisory or appointing authority over the Office of the State Treasurer.

Further, neither I nor any principals or key personnel of the Respondent, nor any agent of the above, knows of any action by Respondent to circumvent such prohibition on gifts by providing for any other principals, key personnel, officials, employees of Respondent, nor any agent of the above, to provide a gift to any such public official or state employee.

Further, the Respondent made its bid or proposal without fraud or collusion with any person.

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Sworn and subscribed before me on this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
Commissioner of the Superior Court/Notary Public

*STATE OF CONNECTICUT  
OFFICE OF THE STATE TREASURER*

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**CORPORATE CITIZENSHIP**

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**COMPANY Name** \_\_\_\_\_ (**“Respondent”**)

For the past three years, please provide the Office of the Treasurer with the following information regarding any of the respondent’s policies/practices that demonstrate respondent’s positive commitment to the communities in which it does business. The following is a representative list of the types of activities that would satisfy this request:

1. A summary of respondent’s charitable giving activities including matching charitable contributions of employees and an outline of respondent’s strategy for charitable giving activities.
2. A representative list of organizations that respondent supports or events that respondent has sponsored; indicate any Connecticut-based groups.
3. A list of names and addresses of women-owned, minority-owned, and emerging businesses with which respondent does business.
4. A brief description of any internship programs respondent offers and the applicable percentage of minority and women recipients.
5. A brief description of any scholarships respondent provides to students and the applicable percentage of minority and women recipients.
6. A description of any written policies maintained by respondent that foster good corporate citizenship, and those that encourage respondent’s employees to volunteer time or make charitable contributions. Particular focus should be given to efforts to promote good corporate citizenship in Connecticut.
7. A description of any written procurement policies or programs used by respondent to foster business relationships with women-owned, minority-owned and/or emerging businesses.
8. Any other information not covered above that would help give the Treasurer a better understanding of respondent’s views on corporate citizenship.



*STATE OF CONNECTICUT  
OFFICE OF THE STATE TREASURER*

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**NOTICE OF LEGAL PROCEEDINGS**

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COMPANY (“Respondent”) \_\_\_\_\_

I \_\_\_\_\_ (name and title) hereby represent that:

1. I have the requisite knowledge and authority, and have made any inquiry necessary, to fully, completely and accurately provide the information requested in this affidavit;
2. I have disclosed in the Supplemental Information attached to this affidavit:
  - a. any and all material lawsuits, legal or administrative proceedings or governmental investigations, criminal actions or law enforcement activities (including those by federal, state or local authorities, or self-regulatory organizations) or non-routine Securities and Exchange Commission inquiries or investigations relating to Respondent or any of Respondent’s affiliates, including any proceedings to which Respondent, its affiliates, or any of their respective officers, directors or employees is a named party or of which any of such has been the focus, that have occurred in the last five (5) years or that are currently threatened, including whether Respondent or any of its affiliates, or their respective officers, directors or employees has been censured by any regulatory body;
  - b. any claim for errors & omissions, fiduciary liability and/or fidelity bond insurance coverage submitted by Respondent, its principals or any of Respondent’s affiliates in the past five (5) years;
  - c. any and all ongoing internal investigations of any of Respondent’s officers, directors or employees, giving specific attention to those persons who would be closely responsible for the products or services sought by the Office of the Treasurer.
3. Except as disclosed in the Supplemental Information attached hereto, I am not aware of any activities of the Respondent, its affiliates, or any officers, directors or employees of the Respondent or its affiliates, that are likely to result in any of the above investigations or proceedings.
4. Respondent has adequate procedures in place to undertake internal investigations of its employees, officers and directors, which procedures are described in the Supplemental Information attached hereto.

The undersigned, on behalf of the Respondent identified above, hereby certifies that the information set forth in response to this Attachment G, including any and all Supplemental Information, is sworn to as true, complete and accurate to the best of my knowledge and belief, under penalty of false statement.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Print name: \_\_\_\_\_

Title: \_\_\_\_\_

Sworn and subscribed before me on this        day of                                , 200\_\_.

\_\_\_\_\_  
Commissioner of the Superior Court/Notary Public

**SUPPLEMENTAL INFORMATION**

**to Attachment G**

**Respondent's Name** \_\_\_\_\_

**2a.**

**2b.**

**2c.**

**4.**

STATE OF CONNECTICUT
OFFICE OF THE STATE TREASURER

CAMPAIGN CONTRIBUTION AFFIDAVIT

COMPANY ("Respondent") \_\_\_\_\_

I, \_\_\_\_\_ (name and title), duly authorized, after diligent inquiry, hereby certify that none of the following have made a contribution to or solicited contributions (1) on behalf of an exploratory committee or candidate committee established or controlled by the State Treasurer for her nomination or election to the Office of the Connecticut State Treasurer or (2) since December 31, 2006, on behalf of an exploratory committee or candidate committee established or controlled by a candidate for statewide office or the General Assembly:

- a. Director of or person having an ownership interest in the respondent's entity of 5% or greater;
b. The President, Treasurer, or Executive Vice President (or similar positions) of the respondent's entity;
c. An employee of the respondent's entity having managerial or discretionary responsibilities with respect to services provided to the Office of the Connecticut State Treasurer;
d. The spouse or dependent child aged 18 or older of any individuals described in subsections a-c; or
e. A political committee or political action committee established by the respondent's firm or on behalf of an individual identified in subsections a-d.

Sworn to as true, accurate and complete to the best of my knowledge and belief, under penalty of false statement.

Signature \_\_\_\_\_

Date \_\_\_\_\_

Print name: \_\_\_\_\_

Title: \_\_\_\_\_

Sworn and subscribed before me on this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

Commissioner of the Superior Court/Notary Public

**NOTICE TO EXECUTIVE BRANCH STATE CONTRACTORS AND PROSPECTIVE STATE CONTRACTORS OF CAMPAIGN CONTRIBUTION AND SOLICITATION BAN**

This notice is provided under the authority of Connecticut General Statutes 9-612(g)(2), as amended by P.A. 07-1, and is for the purpose of informing state contractors and prospective state contractors of the following law (italicized words are defined on page 2):

**Campaign Contribution and Solicitation Ban**

*No state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor, with regard to a state contract or state contract solicitation with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder of a valid prequalification certificate, shall make a contribution to, or solicit contributions on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee;*

In addition, no holder or principal of a holder of a valid prequalification certificate, shall make a contribution to, or solicit contributions on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of State senator or State representative, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee.

**Duty to Inform**

State contractors and prospective state contractors are required to inform their principals of the above prohibitions, as applicable, and the possible penalties and other consequences of any violation thereof.

**Penalties for Violations**

Contributions or solicitations of contributions made in violation of the above prohibitions may result in the following civil and criminal penalties:

Civil penalties--\$2000 or twice the amount of the prohibited contribution, whichever is greater, against a principal or a contractor. Any state contractor or prospective state contractor which fails to make reasonable efforts to comply with the provisions requiring notice to its principals of these prohibitions and the possible consequences of their violations may also be subject to civil penalties of \$2000 or twice the amount of the prohibited contributions made by their principals.

Criminal penalties—Any knowing and willful violation of the prohibition is a Class D felony, which may subject the violator to imprisonment of not more than 5 years, or \$5000 in fines, or both.

**Contract Consequences**

Contributions made or solicited in violation of the above prohibitions may result, in the case of a state contractor, in the contract being voided.

Contributions made or solicited in violation of the above prohibitions, in the case of a prospective state contractor, shall result in the contract described in the state contract solicitation not being awarded to the prospective state contractor, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

The state will not award any other state contract to anyone found in violation of the above prohibitions for a period of one year after the election for which such contribution is made or solicited, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

Receipt acknowledged: \_\_\_\_\_  
(signature) (date)

Print name: \_\_\_\_\_ Title: \_\_\_\_\_

Company Name: \_\_\_\_\_

Additional information and the entire text of P.A 07-1 may be found on the website of the State Elections Enforcement Commission, [www.ct.gov/seec](http://www.ct.gov/seec). Click on the link to "State Contractor Contribution Ban"

## Definitions:

"State contractor" means a person, business entity or nonprofit organization that enters into a state contract. Such person, business entity or nonprofit organization shall be deemed to be a state contractor until December thirty-first of the year in which such contract terminates. "State contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Prospective state contractor" means a person, business entity or nonprofit organization that (i) submits a response to a state contract solicitation by the state, a state agency or a quasi-public agency, or a proposal in response to a request for proposals by the state, a state agency or a quasi-public agency, until the contract has been entered into, or (ii) holds a valid prequalification certificate issued by the Commissioner of Administrative Services under section 4a-100. "Prospective state contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Principal of a state contractor or prospective state contractor" means (i) any individual who is a member of the board of directors of, or has an ownership interest of five per cent or more in, a state contractor or prospective state contractor, which is a business entity, except for an individual who is a member of the board of directors of a nonprofit organization, (ii) an individual who is employed by a state contractor or prospective state contractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a state contractor or prospective state contractor, which is not a business entity, or if a state contractor or prospective state contractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any state contractor or prospective state contractor who has managerial or discretionary responsibilities with respect to a state contract, (v) the spouse or a dependent child who is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by an individual described in this subparagraph or the business entity or nonprofit organization that is the state contractor or prospective state contractor.

"State contract" means an agreement or contract with the state or any state agency or any quasi-public agency, let through a procurement process or otherwise, having a value of fifty thousand dollars or more, or a combination or series of such agreements or contracts having a value of one hundred thousand dollars or more in a calendar year, for (i) the rendition of services, (ii) the furnishing of any goods, material, supplies, equipment or any items of any kind, (iii) the construction, alteration or repair of any public building or public work, (iv) the acquisition, sale or lease of any land or building, (v) a licensing arrangement, or (vi) a grant, loan or loan guarantee. "State contract" does not include any agreement or contract with the

state, any state agency or any quasi-public agency that is exclusively federally funded, an education loan or a loan to an individual for other than commercial purposes.

"State contract solicitation" means a request by a state agency or quasi-public agency, in whatever form issued, including, but not limited to, an invitation to bid, request for proposals, request for information or request for quotes, inviting bids, quotes or other types of submittals, through a competitive procurement process or another process authorized by law waiving competitive procurement.

"Managerial or discretionary responsibilities with respect to a state contract" means having direct, extensive and substantive responsibilities with respect to the negotiation of the state contract and not peripheral, clerical or ministerial responsibilities.

"Dependent child" means a child residing in an individual's household who may legally be claimed as a dependent on the federal income tax of such individual.

"Solicit" means (A) requesting that a contribution be made, (B) participating in any fund-raising activities for a candidate committee, exploratory committee, political committee or party committee, including, but not limited to, forwarding tickets to potential contributors, receiving contributions for transmission to any such committee or bundling contributions, (C) serving as chairperson, treasurer or deputy treasurer of any such committee, or (D) establishing a political committee for the sole purpose of soliciting or receiving contributions for any committee. Solicit does not include: (i) making a contribution that is otherwise permitted by Chapter 155 of the Connecticut General Statutes; (ii) informing any person of a position taken by a candidate for public office or a public official, (iii) notifying the person of any activities of, or contact information for, any candidate for public office; or (IV) serving as a member in any party committee or as an officer of such committee that is not otherwise prohibited in this section.



*STATE OF CONNECTICUT  
OFFICE OF THE STATE TREASURER*

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**ANTI-TERRORISM  
FOREIGN ASSET CONTROL REGULATIONS,  
FOREIGN CORRUPT PRACTICES ACT**

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**COMPANY (“Respondent”)** \_\_\_\_\_

I \_\_\_\_\_ (name, title and company name) hereby represent that:

1. I have the requisite knowledge and authority, and have made any inquiry necessary, to fully, completely and accurately provide the information requested in this affidavit, for the three year period up to and including the date of this affidavit;
2. Respondent is not and has not been included on the Specially Designated Nationals and Blocked Persons List of the United States Treasury Department’s Office of Foreign Assets Control.
3. By agreeing to provide, and in providing, the services pursuant to this RFP, the Respondent will not be in violation of the United State Executive Order 13224 of September 24, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism, (the Anti-Terrorism Order) or the provisions of The USA Patriot Act, title III, or the International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001 (as it may be amended from time to time) and any regulations promulgated thereunder.
4. The Respondent is not a party with which the Treasurer is prohibited from dealing under the laws of the United States.
5. The Respondent has not made any direct or indirect payments to any foreign government official, government employee, political party or official in violation of the United States Foreign Corrupt Practices Act.

The undersigned, on behalf of the Respondent identified above, hereby certifies that the information set forth in response to this Attachment J including any and all Supplemental Information is sworn as true and accurate to the best of my knowledge and belief, under penalty of false statement.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Print name: \_\_\_\_\_

Title: \_\_\_\_\_

Sworn and subscribed before me on this            day of            , 200\_\_.

\_\_\_\_\_  
Commissioner of the Superior Court/Notary Public

STATE OF CONNECTICUT  
OFFICE OF THE STATE TREASURER

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CONFLICTS OF INTEREST

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COMPANY ("Respondent") \_\_\_\_\_

In accordance with the State of Connecticut laws and regulations, for the years 2004 to the present, the Respondent must provide the Office of the Treasurer with information regarding any agreements, relationships, retainers or other arrangements that your firm or any employee of your firm has with any other investment banking firm, financial advisory firm, law firm, or other person or entity that may create a conflict of interest or the appearance of a conflict of interest.

Please list any possible, known or potential conflicts of interests with the Office of the Treasurer that the Respondent may have. Please also describe the arrangement and the parties involved. If necessary, the Respondent should attach additional sheets labeled as Supplemental Information to Attachment K.

The undersigned, on behalf of the Respondent identified above, hereby certifies that the information set forth in this Attachment K and any Supplemental Information to Attachment K is true, complete and accurate.

Sworn as true to the best of my knowledge and belief, false statement punishable under law:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Print name: \_\_\_\_\_

Title: \_\_\_\_\_

Sworn and subscribed before me on this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
Commissioner of the Superior Court/Notary Public

**STATE OF CONNECTICUT  
OFFICE OF THE STATE TREASURER**

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**INVESTOR PROTECTION PRINCIPLES**

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COMPANY ("Respondent") \_\_\_\_\_

I \_\_\_\_\_ (name and title) hereby represent that I, on behalf of the Respondent have the requisite knowledge and authority to fully, completely and accurately address the following:

Respondent \_\_\_\_\_ has  
\_\_\_\_\_ has not\*

adopted the terms of the Agreement between Merrill Lynch & Co., Inc. and the New York State Attorney General Eliot Spitzer dated May 21, 2002 (hereinafter "The Investment Protection Principles").

The undersigned, on behalf of the Respondent identified above, hereby certifies that the information set forth in this Attachment L is true, complete and accurate.

Sworn as true to the best of my knowledge and belief, under penalty of false statement.

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Signature

Date:

Print name: \_\_\_\_\_

Title: \_\_\_\_\_

Sworn and subscribed before me on this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
Commissioner of the Superior Court/Notary Public

\*If Respondent has not adopted the Investment Protection Principles, please attach an explanation.

***Directions for completion of Legal and Policy Attachments***

**Office of the Connecticut State Treasurer  
Legal and Policy Attachments  
Investment Services**

**A link to each of the statutes cited is provided at the end of this document.**

A. Attachment A CHRO CONTRACT COMPLIANCE REGULATIONS NOTIFICATION TO RESPONDENTS and BIDDER CONTRACT COMPLIANCE MONITORING REPORT:

This document informs you of the Treasurer's obligation to consider certain factors relating to equal opportunity and affirmative action in her review of all respondents' qualifications, as required under Regulations of the Commission on Human Rights and Opportunities, Conn. Agency Regs. §§46a-68j-21 through 43. You may review those regulations by clicking on the following link:

<http://www.state.ct.us/chro/metapages/regulations/CCRegs.htm>

In addition, you are required to complete the questions on the BIDDER CONTRACT COMPLIANCE MONITORING REPORT. Please complete the form, and notarize where indicated. We request that you complete the Employer Information Report (see below) for the current year and each of the 2 prior reporting periods **(for a total of 3 years of data)**.

**Employer Information Report**---Please download the form at [www.state.ct.us/ott](http://www.state.ct.us/ott). Click on the Doing Business link, and then on the "Compliance" tab.

B. Attachment B NONDISCRIMINATION BASED ON CIVIL UNION STATUS: Public Act 07-245 expands the definition of the term "marital status" within the anti-discrimination provisions of the Connecticut General Statutes to include "civil union status". Public Act 07-142 requires any entity or individual entering into a contract with the state to provide "documentation in the form of a company or corporate policy adopted by resolution of the board of directors, shareholders, managers, members or other governing body of such contractor to support the nondiscrimination agreement and warranty" under Connecticut General Statutes § 4a-60(a)(1) and § 4a-60a(a)(1), as amended in State of Connecticut Public Act 07-245 and sections 9(a)(1) and 10(a)(1) of Public Act 07-142.

The Connecticut Attorney General has stated that his office will not approve any contract entered into by the state unless it is accompanied by a **CERTIFICATION**, evidencing compliance with the new requirements, which must be executed by an authorized signatory on behalf of corporate or business entities. **We are asking at this time for your firm to provide us with a written statement that if your firm is selected, you will provide the Office of the Treasurer with an executed certification document and copy of the requisite board resolution. A firm that cannot provide the requested written statement will be eliminated from further consideration.**

A sample **CERTIFICATION** form is attached as Attachment B.

C. Attachment C EMPLOYMENT PRACTICES INFORMATION:

The information requested expands on the information provided in Attachment A, by asking for information on the demographics of Respondents' upper level management, recent promotion statistics, and your equal opportunity and affirmative action policy. Please provide all requested information, being sure to identify it by the subsection to which it responds, and notarize where indicated.

D. Attachment D AFFIDAVIT OF THIRD PARTY FEES AND DISCLOSURE OF CONSULTING AGREEMENTS:

Any person or entity wishing to do business with the State Treasurer must disclose in writing any payment or receipt of third party fees, or agreement to pay or receive third party fees attributable to the contract. This includes direct and indirect payments, including any payments made or to be made to subagents, and Respondent has a duty to inquire with respect to indirect payments. This disclosure requirement is imposed by Conn. Gen. Stat. § 3-13j for all investment services contracts. The following links will provide useful guidance on the types of payments that must be reported and those fees that are impermissible under Conn. Gen. Stat. §3-13/:

<http://www.state.ct.us/ott/reform/reforminterincriteria.pdf>

<http://www.state.ct.us/ott/pensiondocs/amendedregulations.pdf>

In addition, you must report on this affidavit any "consulting agreement" entered into in connection with this contract, pursuant to the requirements of Conn. Gen. Stat. § 4a-81 (Conn. Public Act 05-287, sec. 51). "Consulting agreement" means "any written or oral agreement to retain the services, for a fee, of a consultant for the purposes of (A) providing counsel to a contractor, vendor, consultant or other entity seeking to conduct, or conducting, business with the state, (B) contacting, whether in writing or orally, any executive, judicial, or administrative office of the state, including any department, institution, bureau, board, commission, authority, official or employee for the purpose of solicitation, dispute resolution, introduction, requests for information or (C) any other similar activity related to such contract. Consulting agreement does not include any agreements entered into with a consultant who is registered under the provisions of chapter 10 of the general statutes as of the date such affidavit is submitted." If the consultant identified is a former Connecticut public official or state employee, you must also report the former agency of such consultant and his/her employment termination date. Such affidavit shall be amended whenever the vendor awarded the contract enters into any new consulting agreement during the term of the contract.

This affidavit must be signed by the chief official of the Respondent. Please provide the requested information, and notarize where indicated. If you have no fees or agreements to report, please insert "none" on the affidavit.

E. Attachment E TREASURY GIFT AFFIDAVIT:

State law prohibits state agencies from executing a contract with a person or firm, having a total cost to the state of more than \$500,000 in a calendar or fiscal year, unless the agency receives an affidavit from the person or firm attesting that no gifts as defined in Conn. Gen. Stat. § 1-79 were given by the firm or by any principals or key personnel of the firm since the date that planning began for the contract. See Conn. Gen. Stat. §4-250 et seq. The Treasurer requires **all** selected vendors to complete a Gift Certification when the contract is executed, regardless of the value of the proposed contract. Please complete the affidavit,

and notarize where indicated. You are required to perform the necessary inquiry to enable you to complete this affidavit.

F. Attachment F CORPORATE CITIZENSHIP :

All Respondents are asked to demonstrate their commitment to being a good corporate citizen by providing information on charitable and civic activities they sponsor or participate in which improve the communities in which they are located and do business. Attachment F includes a list of representative activities that would satisfy this request. However, if your company engages in other activities that are not listed there, you are encouraged to report them. Please provide information on your corporate citizenship activities.

G. Attachment G NOTICE OF CERTAIN LEGAL PROCEEDINGS:

The purpose of this disclosure is to inform the Treasurer of any legal proceedings or investigations in the recent past or that are ongoing that could have a material effect on your ability to perform services for the Treasury or affect your business relationship with this office. Please provide the requested information, and notarize where indicated. Please do not respond by referring the State Treasurer to online filings with public agencies, such as the SEC. It is your obligation to provide the information with your response. If you have no information to report in response to any of the disclosure requests, you may indicate "none" on the Supplemental Information attachment.

H. Attachment H CAMPAIGN CONTRIBUTION AFFIDAVIT:

State law prohibits the State Treasurer from entering into a contract for investment services with any firm when a political committee established by the firm, or any "principal of the investment services firm," as defined in the law, has contributed to or solicited contributions on behalf of an exploratory or campaign committee established by the State Treasurer for her nomination or election to the Office of State Treasurer. See Conn. Gen. Stat. §§1-84(n), 9-612(f), as amended by Public Act 07-1. In addition, on and after December 31, 2006 state law prohibits certain individuals from making or soliciting contributions on behalf of candidates for statewide office or the General Assembly. Please complete the requested attestation that no contributions have been made, and notarize where indicated. If your firm does not maintain in the ordinary course of business the information needed to complete the required attestation, you are required to perform the necessary inquiry to enable you to complete this affidavit.

I. Attachment I NOTICE TO STATE CONTRACTORS AND PROSPECTIVE STATE CONTRACTORS OF CAMPAIGN CONTRIBUTION AND SOLICITATION BAN.

Pursuant to Conn. Gen. Stat. § 9-612(g) and (h), as amended by Public Act 07-1, all state agencies are required to provide a Notice to their Prospective State Contractors, informing them of (1) the ban on campaign contributions to and solicitation of contributions on behalf of candidates for statewide elective office, (2) their duty to inform their principals of the law, and (3) the possible consequences of violation of the law. The Notice is Attachment I, hereto. An authorized signatory of the firm must acknowledge receipt of the State Elections Enforcement Commission's Notice (Attachment I) as indicated.

J. Attachment J ANTI-TERRORISM:

The purpose of this attachment is to assist the Treasurer in fulfilling her statutory duty under Conn. Gen. Stat. §3-13d(a) to consider the implications of any investment in relation to the

foreign policy and national interests of the United States and to avoid the investment of pension funds in entities that are contributing to the threat of global terrorism. We are requesting Respondents to provide us with assurance that they have adequate procedures in place to ensure compliance with federal anti-terrorism laws. Please complete the requested attestations for the preceding 3 year period and notarize where indicated.

**K. Attachment K CONFLICTS OF INTEREST:**

Please disclose any material conflicts of interest and sign where indicated. If you have no conflicts to report, state "None".

**L. Attachment L INVESTOR PROTECTION PRINCIPLES:**

Please indicate whether or not your firm has adopted the Investor Protection Principles ("Principles") arising out of the 2002 settlement between Merrill Lynch & Co. and New York Attorney General Eliot Spitzer, and notarize where indicated. If your firm has not adopted the Principles, you must state why.

**Links to Statutes**

Conn. Gen. Stat. § 1-79 <http://www.cga.ct.gov/2005/pub/Chap010.htm#Sec1-79.htm>

Conn. Gen. Stat. § 1-84 <http://www.cga.ct.gov/2005/pub/Chap010.htm#Sec1-84.htm>

Conn. Gen. Stat. § 3-13d <http://www.cga.ct.gov/2005/pub/Chap032.htm#Sec3-13d.htm>

Conn. Gen. Stat. § 3-13j <http://www.cga.ct.gov/2005/pub/Chap032.htm#Sec3-13j.htm>

Conn. Gen. Stat. § 3-13l <http://www.cga.ct.gov/2005/pub/Chap032.htm#Sec3-13l.htm>

Conn. Gen. Stat. § 4-250 et seq. <http://www.cga.ct.gov/2005/pub/Chap055c.htm>

Conn. Public Act 05-287 sec. 51 <http://www.cga.ct.gov/2005/ACT/PA/2005PA-00287-R00SB-00096-PA.htm>

Conn. Public Act 07-1 <http://www.cga.ct.gov/2007/ACT/PA/2007PA-00001-R00SB-01112-PA.htm>

Conn. Public Act 07-142 <http://www.cga.ct.gov/2007/ACT/PA/2007PA-00142-R00SB-01106-PA.htm>

Conn. Public Act 07-245 <http://www.cga.ct.gov/2007/ACT/PA/2007PA-00245-R00SB-01447-PA.htm>