



STATE OF VERMONT
OFFICE OF THE STATE TREASURER

109 State Street, 4th Floor
MONTPELIER, VERMONT 05609-6200
802-828-2301
www.vermonttreasurer.gov

SEALED BID REQUEST FOR PROPOSAL

ECONOMIC CONSULTANT

DATE: **June 6, 2007**

QUESTIONS DUE BY: **June 20, 2007**

DATE OF BID OPENING: **July 11, 2007**

TIME OF BID OPENING: **2:00 P.M.**

LOCATION OF BID OPENING: **109 State Street, Montpelier, VT, 4th Floor**

ALL NOTIFICATIONS, RELEASES AND AMENDMENTS WILL BE POSTED AT:
www.vermonttreasurer.gov

THE OFFICE OF THE STATE TREASURER WILL MAKE NO ATTEMPT TO CONTACT PROPOSERS WITH UPDATED INFORMATION. IT WILL BE THE RESPONSIBILITY OF EACH PROPOSER TO PERIODICALLY CHECK THIS SITE FOR THE LATEST DETAILS.

CONTACT: Donna Holden
TELEPHONE: (802) 828-3708
E-MAIL: Donna.Holden@state.vt.us
FAX: (802) 828-2772



STATE OF VERMONT
OFFICE OF THE STATE TREASURER

109 State Street, 4th Floor
MONTPELIER, VERMONT 05609-6200
802-828-2301
www.vermonttreasurer.gov

SEALED BID INSTRUCTIONS

All bids must be sealed and must be addressed to the Office of the State Treasurer, 109 State Street, 4th Floor, Montpelier, VT 05609-6200. **BID ENVELOPES MUST BE CLEARLY MARKED 'SEALED BID' AND SHOW THE PROPOSAL TITLE, OPENING DATE AND NAME OF PROPOSER.**

All proposers are hereby notified that sealed bids must be in the office of the State Treasurer by the time of the bid opening. Proposers are cautioned that it is their responsibility to originate the sending of bids in sufficient time to ensure receipt by the Office of the State Treasurer prior to the time of the bid opening. Hand-carried bids shall be delivered to a representative of the Office of the State Treasurer prior to the bid opening. Bids not in possession of the Office of the State Treasurer at the time of the bid opening will not be considered.

The Office of the State Treasurer may, for cause, change the date and/or time of the bid opening. If a change is made, the Office of the State Treasurer will make a reasonable effort to inform all proposers.

All bids will be publicly opened. Any interested party may attend the bid opening. Bid results may be requested in writing and are available once an award has been made.



STATE OF VERMONT
OFFICE OF THE STATE TREASURER

109 State Street, 4th Floor
MONTPELIER, VERMONT 05609-6200
802-828-2301
www.vermonttreasurer.gov

DATE: **June 6, 2007**

REQUEST FOR PROPOSAL
THIS IS A SEALED BID RESPONSE
BIDS MUST BE RECEIVED BY **July 11, 2007**, at 2:00 P.M.

This form must be completed and submitted as part of the response for the bid to be considered valid. The undersigned has read, understood and accepted all provisions, terms and conditions of this proposal.

VERMONT TAX CERTIFICATE

To meet the requirements of Vermont Statute 32 V.S.A. § 3113, by law, no agency of the State may enter into, extend or renew any contract for the provision of goods, services or real estate space with any person unless such person first certifies, under the pains and penalties of perjury, that he or she is in good standing with the Department of Taxes. A person is in good standing if no taxes are due, if the liability for any tax that may be due is on appeal, or if the person is in compliance with a payment plan approved by the Commissioner of Taxes, 32 V.S.A. § 3113.

In signing this bid, the proposer certifies under the pains and penalties of perjury that the company/ individual is in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due the State of Vermont as of the date this statement is made.

Quotation Valid for _____ Days Date: _____

Telephone Number: _____

Name of Company: _____

Fax Number: _____

Federal Identification Number: _____

E-mail address: _____

By: _____

Name: _____

Signature (Proposal Not Valid Unless Signed)

(Type or Print)

TABLE OF CONTENTS

1	Overview	5
1.1	Executive Summary.....	5
1.2	Minimum Qualifications.....	5
1.3	Single Point of Contact.....	5
1.4	Proposer Questions.....	6
1.5	RFP Timetable.....	6
1.6	Attachments to RFP.....	6
2	Scope of Services.....	7
2.1	Documents, Reports, and Other.....	7
2.2	Requirements Related to Conflicts of Interest and Independence.....	8
2.3	Insurance Coverage	8
3	Procurement and Contractual Administration	9
3.1	Bidding and Contractual Requirements.....	9
3.1.1	<i>Incurred Expenses</i>	9
3.1.2	<i>Public Records and Proprietary Information</i>	9
3.1.3	<i>Confidentiality</i>	9
3.1.4	<i>Pricing</i>	9
3.1.5	<i>Subcontracting</i>	9
3.1.6	<i>Doing Business in Vermont</i>	9
3.1.7	<i>Minority Business Enterprises</i>	10
3.1.8	<i>Duration of Proposal Offer</i>	10
3.1.9	<i>Revisions to the Solicitation</i>	10
3.1.10	<i>General Conditions</i>	10
3.1.11	<i>Contract Duration</i>	10
4	Proposal Preparation	12
4.1	Proposal Acceptance	12
4.1.1	<i>Proposal Packaging and Required Copies</i>	12
4.2	Proposal Part I -Administrative Section	13
4.2.1	<i>Cover Letter</i>	13
4.2.2	<i>Tax Certificate</i>	14
4.3	Proposal Part II – Proposer Information.....	14
4.3.1	<i>Section 1 – General</i>	14
4.4	Proposal PART III – Technical Approach.....	14
4.5	Proposal PART IV – Proposer References.....	15
4.6	Proposal PART V – Cost.....	15
5	Evaluation and Selection Criteria.....	17
5.1	Proposer Evaluation.....	17
	Attachment A – Standard Contract Provisions.....	18

1 OVERVIEW

The following subsections provide general information about the RFP.

1.1 Executive Summary

The Office of the Vermont State Treasurer is seeking proposals from qualified economists and firms to provide economic analysis for the State's Capital Debt Affordability Committee, the preparation of materials for the inclusion in the State's offering documents for short and long-term debt and economic analysis related to other fiscal policy and investment matters as assigned.

Proposal specifications are set forth in Section 2, "Scope of Services."

Proposals in response to this RFP are due no later than 2:00 P.M. Eastern Time (ET) on July 11, 2007.

1.2 Minimum Qualifications

The proposer must meet all of the following minimum qualifications to be given further consideration. Failure to satisfy each of the minimum qualifications will result in the immediate rejection of the proposal.

The consultant(s) is expected to have a minimum of three years expertise and experience in the following areas:

1. Economic research and analytical skills.
2. Practical applied economics expertise.
3. Expertise and working knowledge of econometrics and forecasting techniques.
4. Ability to work with other economists.
5. Public sector consulting is preferred but is not a minimum requirement.

1.3 Single Point of Contact

The sole point of contact for questions and all other contractual matters relating to this RFP is:

Name: Ms. Donna Holden
Title: Contract Administrator
Vermont State Treasurer's Office
109 State Street, 4th Floor
Montpelier, Vermont 05609-6200
Telephone: 802-828-3708
FAX: 802-828-2772
E-Mail: Donna.Holden@state.vt.us

All e-mail communication with Ms. Holden must include the words “Economic Consultant RFP” in the subject line.

Proposals are due by 2:00 PM for bid opening on July 11, 2007, and are to be delivered to the Treasurer’s Office, marked to the attention of Ms. Donna Holden (see above).

Attempts by proposers to contact any other party may result in the rejection of their proposal.

1.4 Proposer Questions

Questions must be submitted in writing until the date and time specified in Section 1, *RFP Timetable*.

E-mail is the preferred method of communicating questions. All e-mail communications with Ms. Holden must include the words “Economic Consultant RFP” in the subject line.

Response to questions will be posted to our Web site at www.vermonttreasurer.gov. All questions submitted must include the name of the firm and the person submitting the questions.

1.5 RFP Timetable

RELEASE DATE OF THE RFP:	June 6, 2007
QUESTIONS DUE BY:	June 20, 2007
ANSWERS TO QUESTIONS POSTED ON www.vermonttreasurer.gov	June 25, 2007
ALL PROPOSALS MUST BE SUBMITTED NO LATER THAN 2:00 P.M. Eastern Time ON:	July 11, 2007

1.6 Attachments to RFP

The following information is provided as an attachments to the RFP:

- **Attachment A** – Standard Contract Provisions

2 SCOPE OF SERVICES

The Office of the Vermont State Treasurer is seeking proposals from qualified economists and firms to provide economic analysis for the State's Capital Debt Affordability Committee, the preparation of materials for the inclusion in the State's offering documents for short and long-term debt, and economic analysis related to other fiscal policy and investment matters as assigned.

Accurate forecasts and quality research and analysis are critically important to support its effort to efficiently manage Vermont State Government Bond sales. The services provided by the selected contractor will complement the work of other economists, bond professionals and other analysts by supplying forecasting, technical and analytical support needed in conducting on-going management functions.

Specific duties include:

Services Relating to Debt Issuance

- a) Provide historical, current and projected State economic, demographic and revenue data to be incorporated in the State's Capital Debt Affordability Advisory Committee models and annual report.
- b) Prepare and edit, through group consensus drafting, national and State economic sections of official statements and other documents related to State general obligation or other State new money and refunding bond issues.
- c) Participate in presentations to rating agencies relating to State bond issues and periodic State credit reviews (participation is typically in-State in person or by telephone).

Economic Policy Review and Analyses Services

- a) Advise the State Treasurer in the economic review and evaluation of fiscal policy initiatives and other State budgetary matters.
- b) Assist the State Treasurer in the development of fiscal policies, proposals and presentations.
- c) Provide reviews and analyses of the feasibility of investments or financing proposals to the State Treasurer and to the Vermont Pension Investment Committee including but not limited to economic impact analyses, demographic impacts, and cost-benefit and sensitivity analyses.
- d) Assist the Office of the State Treasurer in arriving at interest rate forecasts based on global economic data.

2.1 Documents, Reports, and Other

All documents, reports, computer software, paper and other materials ("Papers"), except for those generally available to the public, which are provided by the State, and any copies of any such Papers that may be reproduced or otherwise procured and all information contained in such Papers, shall be deemed and shall remain property exclusively of the State and shall be available to the State's representatives upon their

request. No Papers may be reproduced or otherwise used by for purposes unrelated to the subsequent contract.

2.2 Requirements Related to Conflicts of Interest and Independence

Proposers shall identify all existing or potential conflicts of interest that would prevent the proposer from fully performing the tasks described in this RFP. Such disclosure will be a continuing requirement subsequent to award of a Contract and for the life of the Contract.

In all matters relating to work required by the State the proposer shall remain free from personal and external impediments to independence, and verify its organization is independent and will maintain an independent attitude and appearance with respect to the services required.

2.3 Insurance Coverage

The Contractor shall maintain an errors and omissions insurance policy, which provides a prudent amount of coverage for the willful negligent acts or omissions of any shareholder, employee or agents thereof. The Contractor shall also maintain policies pursuant to the State's Standard Contract provisions as defined in Attachment A.

3 PROCUREMENT AND CONTRACTUAL ADMINISTRATION

The following subsections discuss the administrative and contractual requirements that pertain to this procurement.

3.1 Bidding and Contractual Requirements

The State of Vermont reserves the right to obtain clarification or additional information necessary to properly evaluate a proposal. Proposers may be asked to give a verbal presentation. Failure of proposer to respond to a request for additional information or clarification could result in rejection of that proposer's proposal. The State reserves the right to accept or reject any and all bids, in whole or in part, with or without cause. The State reserves the right to make an award without further discussion of the proposal submitted. The State does not guarantee that an award will be made as a result of this RFP.

3.1.1 Incurred Expenses

The cost of developing and submitting the proposal is entirely the responsibility of the proposer. This includes costs to determine the nature of this engagement, preparation of the proposal, submitting the proposal, negotiating for the contract, and other costs associated with this RFP.

3.1.2 Public Records and Proprietary Information

All responses will become the property of the State of Vermont and will be a matter of public record. Pursuant to Title 1 §317 (15), public records requests for information regarding this RFP will not be acted upon pending contract negotiations, and until a signed contract has been recorded by the State.

3.1.3 Confidentiality

The State wants to assure the confidentiality of its employees' records. In the event that the proposer is selected to perform services, all proposer staff members assigned to the contract in any capacity may be required to sign statements of confidentiality.

3.1.4 Pricing

The proposer must be aware the State wants the most effective combination of price, performance, and quality possible within the constraints of its budget. Pricing must be a firm fixed price, including all expenses. The State will not accept any open-ended, time and materials bids. There may be no best and final offer procedure. Therefore, the proposal shall be submitted on the most favorable terms that the proposer can provide.

3.1.5 Subcontracting

The State of Vermont will only enter into contracts with the primary contractor, and the State must approve any subcontractor contract in writing (See ATTACHMENT A, sub-Attachment C #13). The selected proposer must assume responsibility for subcontractor performance and payment. Subcontractors must abide by all conditions set forth in the contract with the primary contractor. The successful proposer will be expected to execute sub-agreements for each subcontractor named in the proposal upon award of this contract. The proposer must provide a brief description in the cost proposal in regard to the basis for selecting each subcontractor (low bid, competitive negotiation, technical capabilities, etc.). The proposer must provide subcontractor cost estimates in the proposer's cost proposal.

3.1.6 Doing Business in Vermont

The proposer awarded this contract shall, if applicable, upon notification of award, apply for registration with the Vermont Secretary of State's Office to do business in the State of Vermont, if not already so

registered. The registration form may be obtained from the Vermont Secretary of State, Redstone Building, 26 Terrace Street, Drawer 09, Montpelier, VT 05609-1101. The telephone number is (802) 828-2386. The Treasurer's Office will not execute the contract until the proposer, if applicable, is registered with the Secretary of State's Office.

Proposers are responsible for complying with all statutory provisions applicable to doing business in the State of Vermont (see above and Attachment A), attached to this RFP, which proposer is required to execute after the specific details of the transaction have been inserted. Any objections, or requested changes to the standard form language must be provided with the bid or they shall be waived by the proposer.

3.1.7 Minority Business Enterprises

The State of Vermont recognizes the important contribution and vital impact that small businesses have on the State's economy. In this regard, the State subscribes to a free and open bidding process that affords all businesses equal access and opportunity to compete for State contracts for goods and services. The State also recognizes the existence of businesses owned by minorities and women and has directed all State agencies and departments to make a good faith effort to encourage these firms to compete for State contracts.

3.1.8 Duration of Proposal Offer

Proposals submitted in response to this RFP are irrevocable for 120 days following the closing date of proposals. This period may be extended at the request of the State, and with the proposers' written approval.

3.1.9 Revisions to the Solicitation

The State reserves the right to modify requirements should a proposer's inquiry identify a change that is in the best interest of State. Such modifications (or amendments) to the RFP will be posted to the Treasurer's Web site at www.vermonttreasurer.gov and will not be distributed through any other means. It is the proposer's responsibility to check the Web site for such changes.

3.1.10 General Conditions

The general conditions and specifications of the RFP, the successful proposer's response/proposal, all questions and answers, and all RFP amendments (if any) will become part of the contract by reference.

The proposer is expected to respond with due diligence by providing the requested information in the designated manner. Proposers failing to respond to this RFP as prescribed will place themselves at a comparative disadvantage and/or will be subject to disqualification at the discretion of the State.

3.1.11 Contract Duration

The successful proposer to this RFP can expect a contract with the State (see sample contract Attachment A) for a term of two years with, at the State's option, two one-year extensions.

The successful proposer will be required to execute the State's standard contract after the specific details of the transaction have been inserted. Any objections or requested changes to the standard form language must be provided with the bid, or they shall be waived by the proposer. Any additional contract language sought by the proposer must be provided with the bid, or such language requests shall be waived by the proposer. Any proposer seeking changes to the State standard form contract, or to add additional language to the contract, must state whether the request is a requirement of its bid, or simply a request for the State's consideration. In the event the State determines that an otherwise apparent winning proposer's requirements are unacceptable, it may handle the bid in the manner it deems most appropriate, including but not limited

to rejecting the bid as not complying with this RFP. Proposers should be aware that the State of Vermont rarely accepts amendments to its standard form contract.

4 PROPOSAL PREPARATION

This section sets forth the format that must be followed by proposers in developing their proposals in response to this RFP. The instructions provided and format requested for proposer proposals are designed to ensure a clear and complete understanding and comprehensive evaluation of each proposal. There is no intent to limit the content of the proposals or to inhibit a presentation in other than the proposer's favor.

4.1 Proposal Acceptance

The proposer is encouraged to include additional information or data as may be appropriate or to offer alternate solutions. However, the proposer should not exclude from its proposal any portion requested in this RFP. Proposals that vary materially from this prescribed format may be judged non-compliant and withdrawn from consideration.

The proposer must understand that the State will view the degree of compliance with this section as an indication of the degree of cooperation to be expected from the proposer in working with the State after contract award.

4.1.1 Proposal Packaging and Required Copies

Cost Proposals (Part V below) must be packaged separately from Technical Proposals (Parts I, II, III and IV below) and sealed in a separate envelope, so labeled.

Proposers must submit three (3) bound copies of their proposals.

We point out that the requirement for separate Cost Proposals actually doubles the above numbers.

The information in the table provided below must appear on the title page of each copy of each proposal and on the outside of the packages in which they are shipped (if proposals are shipped by overnight courier, the title sheet may be affixed to the package inside the courier's packaging material):

Contents of Response Cover Page

RFP title:	Economic Consultant Services RFP
RFP section:	Technical or Cost
<i>Closing date and time for submission of proposals: July 11, 2007, 2:00 pm.</i>	
Name, address, e-mail, and (voice) telephone number of firm submitting proposal	

Proposals must be addressed for this RFP to the point of contact identified in Section 1, *Single Point of Contact*.

Proposers are to organize their proposals into four parts with a cover letter and other administrative information as follows:

Part I – Administrative	Cover page Cover Letter as described below Tax Certificate Table of Contents
Part II	Proposer Information
Part III	Technical Approach

Part IV	Proposer References
Part V (to be packaged separately)	Cost

The following subsections describe the required content of the proposer's proposal.

4.2 Proposal Part I - Administrative Section

In addition to the cover page and table of contents, the items that need to appear in the Administrative Section of the proposal are described below.

4.2.1 Cover Letter

The response should contain a cover letter and introduction, including: the company name and address, and the name, e-mail address, and telephone number of the person or persons authorized to represent the respondent regarding all matters related to the response. The cover letter must contain the following statement:

"We have read the State's Request for Proposals (RFP) for Economic Consultant and fully understand its intent. We certify that we have adequate personnel, equipment, and facilities to provide the State's requested services that we have indicated we can meet. We understand that our ability to meet the criteria and provide the required services shall be judged solely by the Office of the State Treasurer."

A person authorized to bind the firm to all commitments made in its response shall sign this letter.

In addition, the cover letter must certify that:

- The response is genuine, and is not collusive or a sham.
- The response is not made in the interest of or on the behalf of any person not named therein.
- The proposer has not directly or indirectly induced or solicited any person to submit a false or sham response or to refrain from submitting a proposal.
- The proposer has not in any manner sought by collusion to secure an advantage over any other respondent.
- The proposer has thoroughly examined the RFP requirements, and the proposed fees cover all the services that the State has requested.
- The proposer acknowledges and accepts all terms and conditions included in the RFP.
- The proposer agrees to provide services in a manner acceptable to the State, and as stipulated in the RFP and subsequent contract.
- The proposer and key professionals do not have or anticipate a potential conflict of interest with the Office of the State Treasurer or members of the Vermont Pension Investment Committee.
- The proposer and key professionals do not accept fees and derive no benefit from relationships with any persons involved in the RFP.
- The proposer has completed and submitted, with the RFP response, the Vermont Tax Certificate, provided in this RFP.

4.2.2 Tax Certificate

This certificate appears on page 3 of this RFP and must be completed and submitted with the response to the RFP.

4.3 Proposal Part II – Proposer Information

4.3.1 Section 1 – General

In this section, the proposer shall provide basic information about its firm and staff, including the following:

- a. Please provide a description of the ownership and structure of the proposing organization, which includes, if applicable, the parent company and any affiliated companies and/or joint ventures.
- b. Are any near-term changes to the firm’s corporate or organizational structure anticipated? If yes, please specify.
- c. Please list all office locations and the number of individuals working in each office. Please specify which office would be the primary relationship office.
- d. Please list all principals of the firm and their backgrounds, credentials and certifications. Please also provide the same information for all professional staff to be assigned to any contract awarded as part of the RFP process.
- e. Within the last five years, has your organization or an officer or principal been involved in any business litigation or other legal proceedings not included in the previous question? If yes, please provide an explanation and indicate the current status or disposition.
- f. Please describe the firm’s ethics and conflict of interest policy.

4.4 Proposal PART III – Technical Approach

This part of the proposer’s proposal shall address the following:

- *Section 1 – Summary/Overview.* This should include a statement in the proposer’s own words of the overall nature of the services requested in this RFP and a narrative of how it will provide the requested services identified in the RFP. The narrative should address all services outlined in the “Scope of Services” and should be prepared simply and economically, providing a straightforward and concise description of the proposer’s philosophy, services and qualifications.
- *Section 2 – Proposed Value-Added Options –* The State will consider any option proposed by the proposer as a value-added option that will substantially reduce costs, and improve efficiency of operations. Any value added option relating to pricing must be included in the separately packaged “cost proposal.”
- *Section 3 – Assumptions and Exceptions –* Identification of all assumptions that the proposer made in preparing its proposal as well as any exceptions that the proposer takes with regard to the requirements expressed in the RFP. This section must contain a list of **all** assumptions and

exceptions, with a cross-reference to the specific section of the RFP to which the assumption or exception applies.

4.5 Proposal PART IV – Proposer References

The proposer shall provide a minimum of three (3) references. While public sector experience is not a minimum requirement for proposers, public sector experience is preferred. Therefore, inclusion of public sector references, if available, is encouraged. For each reference, the proposer must include the name, address, e-mail address, and telephone numbers of individuals qualified to provide information from both the management and technical viewpoints. For each reference, the proposer must specify:

- The length of time during which services were performed;
- A description of the specific services provided;

4.6 Proposal PART V – Cost

For each category of service (A and B below), the proposer may bid on the basis of an hourly rate, an hourly rate up to a maximum fee, or a flat all-inclusive fixed fee. The proposer may bid using multiple methods. For instance, the debt issuance work (category A below) may be bid on a fixed fee while work encompassed in category B is bid on an hourly basis. The proposer’s costs shall be all-inclusive, reflecting all travel, labor, administrative and incidental costs. In addition, proposers have the option of including a discussion of any other methods of compensation as noted below.

Service Category:	Year 1	Year 2	Optional Renewal Period (up to two 1-year renewals)
<p>A. <u>Services Relating to Debt Issuance, including the following services:</u></p> <ul style="list-style-type: none"> • Provide historical, current and projected State economic, demographic and revenue data to be incorporated in the State’s Capital Debt Affordability Advisory Committee models and annual report. • Prepare and edit, through group consensus drafting, national and State economic sections of official statements and other documents related to State general obligation or other State new money and refunding bond issues. • Participate in presentations to rating agencies relating to State bond issues and periodic State credit reviews (participation is typically in-State in person or by telephone). 	<p>Hourly Rate:</p> <p>Up to a Maximum:</p> <p>Or Fixed Fee:</p>	<p>Hourly Rate:</p> <p>Up to a Maximum:</p> <p>Or Fixed Fee:</p>	<p>Hourly Rate:</p> <p>Up to a Maximum:</p> <p>Or Fixed Fee:</p>

<p>B. <u>Economic Policy Review and Analyses Services, including the following services</u></p> <ul style="list-style-type: none"> • Advise the State Treasurer in the economic review and evaluation of fiscal policy initiatives and other State budgetary matters. • Assist the State Treasurer in the development of fiscal policies, proposals and presentations. • Provide reviews and analyses of the feasibility of investment or financing proposals to the State Treasurer and to the Vermont Pension Investment Committee including but not limited to economic impact analyses, demographic impacts, and cost-benefit and sensitivity analyses. • Assist the Office of the State Treasurer in arriving at interest rate forecasts based on global economic data. 	<p>Hourly Rate: Up to a Maximum: Or Fixed Fee</p>	<p>Hourly Rate: Up to a Maximum: Or Fixed Fee</p>	<p>Hourly Rate: Up to a Maximum: Or Fixed Fee</p>
---	---	---	---

Optional: If the proposer wishes to propose an all-inclusive discounted fee for services in categories A and B above, please state hourly rate and a maximum dollar ceiling, or a fixed-rate fee.

Optional: The proposer may include a discussion of any methods of compensation they have employed in the past with other clients or would be willing to employ in the future, which are intended to provide the above services in a cost-effective manner.

NOTE: This part of the proposal must be bound separately and sealed in an envelope separate from the technical proposal and be labeled “Cost Proposal.” Cost information is NOT to be provided in any other part of the proposal.

5 EVALUATION AND SELECTION CRITERIA

5.1 Proposer Evaluation

The Office of the State Treasurer will conduct a fair and impartial evaluation of the proposals received in response to this RFP.

Fees and compensation will be an important factor in the evaluation of responses. However, the Office of the State Treasurer is not required to select the low-cost proposer, but may select the bid that demonstrates the “best value” overall, including proposed alternatives and that meets the objectives of this RFP. The Office of the State Treasurer reserves the right to negotiate a change in any element of contract performance or cost identified in the RFP.

Evaluation of Proposals	
A. RFP Understanding	Approach Clarity Responsiveness to Scope of Services and ability to provide requested services
B. General Experience and Qualifications of Firm	Experience Assigned personnel Any other resources assigned to State
C. References	
D. Cost	

The Office of the State Treasurer reserves the right to seek clarification of any proposal submitted, to request oral presentations, and to select the proposal considered to best promote the public interest.

The State of Vermont is conscious of and concerned about collusion. It should therefore be understood by all that signers of the bid and contract documents agree that the prices quoted have been arrived at without collusion and that no prior information concerning these prices has been received from or given to a competitive company.

ATTACHMENT A – STANDARD CONTRACT PROVISIONS

STATE OF VERMONT STANDARD CONTRACT FOR SERVICES

1. Parties: This is a contract for services between the State of Vermont, _____ (hereafter called “State”), and _____, with principal place of business in _____ (hereafter called “Contractor”). Contractor’s form of business organization is _____. Contractor’s Vermont Department of Taxes Business Account Number is: #_____. If Contractor does not have a Business Account Number, it is the Contractor’s responsibility to contact the Vermont Department of Taxes to determine if, by law, the Contractor is required to have a Vermont Department of Taxes Business Account Number.

2. Subject Matter: The subject matter of this contract is services generally on the subject of _____. Detailed services to be provided by the Contractor are described in Attachment A.

3. Maximum Amount: In consideration of the services to be performed by Contractor, the State agrees to pay Contractor, in accordance with the payment provisions specified in Attachment B, a sum not to exceed \$_____.00.

4. Contract Term: The period of Contractor’s performance shall begin on _____, 20__ and end on _____, 20__.

5. Prior Approvals: If approval by the Attorney General’s Office or the Secretary of Administration is required, (under current law, bulletins, and interpretations), neither this contract nor any amendment to it is binding until it has been approved by either or both such persons.

- Approval by the Attorney General’s Office is/is not required.
- Approval by the Secretary of Administration is/is not required.
- Approval by the CIO/Commissioner DII is/is not required.

6. Amendment: No changes, modifications, or amendments in the terms and conditions of this contract shall be effective unless reduced to writing, numbered and signed by the duly authorized representative of the State and Contractor.

7. Cancellation: This contract may be canceled by either party by giving written notice at least __ days in advance.

8. Attachments: This contract consists of __ pages including the following attachments, which are incorporated herein:

Attachment A – Specifications of services to be performed
Attachment B – Payment Provisions

Attachment C – “Standard State Contract Provisions,” a preprinted form (revision date 10/06), except that the following numbered paragraphs are not included:

Attachment D – Other Provisions.

Contract # _____

WE, THE UNDERSIGNED PARTIES, AGREE TO BE BOUND BY THIS CONTRACT.

by the STATE OF VERMONT:

by the CONTRACTOR:

Date: _____

Date: _____

Signature: _____

Signature: _____

Name/Title: _____

Name/Title: _____

Agency: _____

Fed ID/S. Sec# _____

STATE OF VERMONT
CONTRACT FOR PERSONAL SERVICES

ATTACHMENT A
SPECIFICATIONS OF WORK TO BE PERFORMED

(Insert Attachment A)

STATE OF VERMONT
CONTRACT FOR PERSONAL SERVICES

ATTACHMENT B
PAYMENT PROVISIONS

(Insert Attachment B)

STATE OF VERMONT
CONTRACT FOR PERSONAL SERVICES

ATTACHMENT C
STANDARD STATE CONTRACT PROVISIONS

1. **Entire Agreement:** This contract represents the entire agreement between the parties on the subject matter. All prior agreements, representations, statements, negotiations, and understandings shall have no effect.
2. **Applicable Law:** This contract will be governed by the laws of the State of Vermont.
3. **Appropriations:** If this contract extends into more than one fiscal year of the State (July 1 to June 30), and if appropriations are insufficient to support this contract, the State may cancel at the end of the fiscal year, or otherwise upon the expiration of existing appropriation authority.
4. **No Employee Benefits for Contractor:** The Contractor understands that the State will not provide any individual retirement benefits, group life insurance, group health and dental insurance, vacation and sick leave, workers compensation or other benefits or services available to State employees, nor will the State withhold any state or federal taxes except as required under applicable tax laws, which shall be determined in advance of execution of the contract. The Contractor understands that all tax returns required by the Internal Revenue Code and the State of Vermont, including, but not limited to, income, withholding, sales and use, and rooms and meals, must be filed by the Contractor, and information as to contract income will be provided by the State of Vermont to the Internal Revenue Service and the Vermont Department of Taxes.
5. **Independence, Liability:** The Contractor will act in an independent capacity and not as officers or employees of the State. The Contractor shall indemnify, defend and hold harmless the State and its officers and employees from liability and any claims, suits, judgments, and damages arising as a result of the Contractor's misconduct or as a result of the Contractor's negligent acts or omissions in the performance of this contract.
6. **Insurance:** Before commencing work on this contract, the Contractor must provide certificates of insurance to show that the following minimum coverages are in effect. It is the responsibility of the Contractor to maintain current certificates of insurance on file with the State through the term of the contract.

Workers Compensation: With respect to all operations performed, the Contractor shall carry workers compensation insurance in accordance with the laws of the State of Vermont.

General Liability and Property Damage: With respect to all operations performed under the contract, the Contractor shall carry general liability insurance having all major divisions of coverage including, but not limited to:

Premises – Operations
Products and Completed Operations
Personal Injury Liability
Contractual Liability

The policy shall be on an occurrence form and limits shall not be less than:

\$1,000,000 Per Occurrence
\$1,000,000 General Aggregate
\$1,000,000 Products/Completed Operations Aggregate
\$ 50,000 Fire/Legal/Liability

Errors and Omissions: \$5,000,000.00 per occurrence. * Subject to higher available maximums.

Automotive Liability: The Contractor shall carry automotive liability insurance covering all motor vehicles, including hired and non-owned coverage, used in connection with the contract. Limits of coverage shall not be less than: \$1,000,000 combined single limit.

No warranty is made that the coverages and limits listed herein are adequate to cover and protect the interests of the Contractor for the Contractor's operations. These are solely minimums that have been established to protect the interests of the State.

7. Reliance by the State on Representations: All payments by the State under this contract will be made in reliance upon the accuracy of all prior written representations by the Contractor, including but not limited to bills, invoices, progress reports and other proofs of work.

8. Records Available for Audit: The Contractor will maintain all books, documents, payroll papers, accounting records and other evidence pertaining to costs incurred under this agreement and make them available at reasonable times during the period of the contract and for three years thereafter for inspection by any authorized representatives of the State or Federal Government. If any litigation, claim, or audit is started before the expiration of the three-year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved. The State, by any authorized representative, shall have the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed under this contract.

9. Fair Employment Practices and Americans with Disabilities Act: The Contractor agrees to comply with the requirements of Title 21, V.S.A. Chapter 5, Subchapter 6, relating to fair employment practices, to the full extent applicable. Contractor shall also ensure, to the full extent required by the Americans with Disabilities Act of 1990, that qualified individuals with disabilities receive equitable access to the services, programs, and activities provided by the Contractor under this contract. Contractor further agrees to include this provision in all subcontracts.

10. Set Off: The State may set off any sums which the Contractor owes the State against any sums due the Contractor under this contract; provided, however, that any set off of amounts due the State of Vermont as taxes shall be in accordance with the procedures more specifically provided hereinafter.

11. Taxes Due to the State:

a. Contractor understands and acknowledges responsibility, if applicable, for compliance with State tax laws, including income tax withholding for employees performing services within the State, payment of use tax on property used within the State, corporate and/or personal income tax on income earned within the State.

b. Contractor certifies under the pains and penalties of perjury that, as of the date the contract is signed, the Contractor is in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due the State of Vermont.

c. Contractor understands that final payment under this contract may be withheld if the Commissioner of Taxes determines that the Contractor is not in good standing with respect to or in full compliance with a plan to pay any and all taxes due to the State of Vermont.

d. Contractor also understands the State may set off taxes (and related penalties, interest and fees) due to the State of Vermont, but only if the Contractor has failed to make an appeal within the time allowed by law, or an appeal has been taken and finally determined and the Contractor has no further legal recourse to contest the amounts due.

12. **Child Support:** (Applicable if the Contractor is a natural person, not a corporation or partnership.) Contractor states that, as of the date of the contract is signed, he/she:

- a. is not under any obligation to pay child support; or
- b. is under such an obligation and is in good standing with respect to that obligation; or
- c. has agreed to a payment plan with the Vermont Office of Child Support Services and is in full compliance with that plan.

Contractor makes this statement with regard to support owed to any and all children residing in Vermont. In addition, if the Contractor is a resident of Vermont, Contractor makes this statement with regard to support owed to any and all children residing in any other state or territory of the United States.

13. **Subcontractors:** Contractor shall not assign or subcontract the performance of his agreement or any portion thereof to any other contractor without the prior written approval of the State. Contractor also agrees to include in all subcontract agreements a tax certification in accordance with Paragraph 11 above.

14. **No Gifts or Gratuities:** Contractor shall not give title or possession of any thing of substantial value (including property, currency, travel and/or education programs) to any officer or employee of the State during the term of this contract.

15. **Copies:** All written reports will be printed using both sides of the paper.

16. **Certification Regarding Debarment:** Contractor certifies under pains and penalties of perjury that, as of the date that this contract is signed, neither Contractor nor Contractor's principals (officers, directors, owners, or partners) are presently debarred, suspended, proposed for debarment, declared ineligible or excluded from participation in federal programs or programs supported in whole or in part by federal funds.

17. Notwithstanding any other provision in this contract, the parties understand that this contract is a public record.

STATE OF VERMONT
CONTRACT FOR PERSONAL SERVICES

ATTACHMENT D
CUSTOMARY STATE CONTRACT PROVISIONS

REGULATION 2001-01: STANDARDS OF CONDUCT

**STATE TEACHERS' RETIREMENT SYSTEM OF VERMONT
VERMONT STATE RETIREMENT SYSTEM
VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM**

§1. STATEMENT OF PURPOSE

A. The Boards of Trustees of the State Teachers' Retirement System of Vermont, the Vermont State Retirement System, and the Vermont Municipal Employees' Retirement System are entrusted with the investment of public pension funds of the retirement Systems and are obligated to safeguard the funds for the benefit of members and beneficiaries. The Trustees are obligated to administer the Systems efficiently and effectively in the interests of the plans' members and beneficiaries so as to avoid waste, mismanagement, abuse, and misuse of influence. The Trustees of these public pension Systems have a duty to administer and provide benefits in a responsible manner without causing an undue burden on their members or Vermont taxpayers.

B. Trustees and employees of the Boards must maintain high ethical and moral standards both professionally and personally in order to maintain and promote public confidence in the integrity of the decisions of the Boards of Trustees relating to administration of the plans and investment of the Systems' assets. The ability to carry out these responsibilities may be impaired whenever a real or apparent conflict of interest exists between the private interest of a Trustee or Board employee and his or her official responsibilities.

C. In recognition and consideration of their responsibilities and obligations as Trustees and to further the goal of protection of the Systems' members, beneficiaries, Trustees and employees from the damage that could result from real or apparent conflicts of interest, the following Standards of Conduct are hereby adopted to assist and guide Trustees and Board employees in the exercise of professional and moral judgment.

D. This regulation is intended to implement the standards of conduct provisions of 3 V.S.A. §472(d); 16 V.S.A. §1943(d); and 24 V.S.A. §5063(e).

§2. AUTHORITY

This regulation is adopted pursuant to 3 V.S.A. §471(d) and §472(d); 16 V.S.A. §1942(f) and §1943(d); and 24 V.S.A. §5062(d).

§3. APPLICABILITY

A. These standards of conduct shall apply to the Trustees of the State Teachers' Retirement System of Vermont, the Vermont State Retirement System, and the Vermont Municipal Employees' Retirement System.

B. These standards shall apply to employees of the Boards of Trustees.

C. These Standards of Conduct are intended to supplement, and not to replace, other state and federal laws. Where this code is less restrictive than another law, executive order, or regulation that applies to the conduct and activities of Trustees and employees of the Boards, such other stricter terms shall apply. Where this code is more restrictive than any other applicable law, executive order or regulation, the stricter standards of this code shall apply.

§4. DEFINITIONS

For the purposes of these standards of conduct, the following words have the following meanings:

A. "Benefit" means any gain, favor, profit, reward, value, accommodation or other advantage, including a benefit to any other person in whose welfare the beneficiary is interested.

B. "Conflict of Interest" means any personal or financial interest of a Trustee, or such an interest, known to the Trustee, of a member of his or her immediate family, household member, or business associate in the outcome of any particular matter pending before the Board. A conflict of interest includes, but is not limited to, those defined in subsection 5.

C. "Employee of the Boards" means a person employed by a Board or Boards of Trustees. Employees of the Vermont State Treasurer's Office shall not be considered employees of the Boards.

D. "Gift" means any form of compensation or anything of value, tangible or intangible, and includes, but is not limited to, meals, alcoholic beverages, travel fare, room and board, gratuities, entertainment, cash, goods or services.

E. "Interest" means any personal or financial interest except an interest that is incidental to the person's membership in the System or participation in a plan administered by the System that is no greater than that of other persons generally affected by the outcome of the matter.

F. "Potential Vendor" means any Vendor that has bid on a System contract and any Vendor that is in the business of providing goods or services of the type routinely purchased by the System, whether or not it has bid on a System contract, including but not limited to administrative, investment, financial, banking, and consulting services.

G. "Systems" means the State Teachers' Retirement System of Vermont, the Vermont State Retirement System, and the Vermont Municipal Employees' Retirement System.

H. "Trustee" means any person who serves as a Trustee or any person who serves as the designee of an ex-officio Trustee or as an alternate to a Trustee of any of the Systems.

I. "Vendor" means a natural person, a corporation, a partnership, an association, a joint-stock company, a trust, an unincorporated organization, a limited liability company, or a limited liability

partnership that performs services for the Systems for direct or indirect compensation. The term includes affiliated entities and trade organizations.

§5. PROHIBITED CONDUCT: CONFLICTS OF INTEREST

The following conduct by a Trustee or an employee of the Boards creates either an actual or potential conflict of interest or the appearance of a conflict of interest and is prohibited:

- A. Solicitation or acceptance of a gift or benefit from any Vendor or potential Vendor except in accordance with Section 9(A).
- B. Solicitation or acceptance of a gift or benefit from any person or entity with a personal or financial interest in the outcome of a particular matter pending before the Board.
- C. The purchase, sale, exchange, or lease of property to or from the System which he or she serves.
- D. Acting upon or providing to any person any information relating to the investment of the System's assets prior to that information becoming public record.
- E. Acceptance of a fee, gift or other benefit for providing information relating to the System and its assets, obtained as a Trustee or employee of the Boards, whether insider or otherwise, to any other person.
- F. Participation in any breach of fiduciary duty by another person subject to this code, participation in concealing such breach, or knowingly or negligently permitting such breach to occur.
- G. Participation in a violation of these Standards of Conduct by another person subject to this code, participation in concealing such violation, or knowingly or negligently permitting such violation to occur.
- H. Acceptance of money, gifts or benefits in connection with any campaign for public office from any Vendor or potential Vendor of the System which the Trustee or employee serves.
- I. Any direct interest in the gains or profits of any investment made by the Board.
- J. Direct or indirect use of the gains or profits of any investments made by the Board, for himself or as an agent, for any purpose except to make current and necessary payments as are authorized by the Board.
- K. Becoming an endorser or surety, or in any manner an obligor, for money loaned to or borrowed from the Board.

§6. Disclosure

- A. A Trustee shall disclose to the Board for the System which he or she serves all actual or potential conflicts of interest and appearances of a conflict of interest as soon as such actual or potential conflict or appearance of a conflict becomes known.
- B. Employees of a Board shall disclose all actual and potential conflicts of interest and appearances of a conflict of interest to the Board as soon as such actual or potential conflict or appearance of a conflict becomes known.

§7. RECUSAL

No Trustee shall knowingly participate in a decision or action by the Board in which he or she has an actual or potential conflict of interest.

§8. TRAVEL, CONFERENCES AND MEETINGS

A. The reasonable and necessary expenses of travel, lodging, meals, and incidentals for a Trustee or employee of a Board traveling on behalf of a Board, or in his or her capacity as a Trustee or employee, or because of his or her position as a Trustee or employee, shall be paid by the System if approved prior to the travel by the Board which the Trustee or employee serves. The agenda, written materials pertaining to the event, when available, an estimate of the cost of the trip and the names of all sponsors of the event to be attended shall be provided to the Board at the time approval is requested. If approval is granted, the Trustee or employee shall report to the Board, at the next scheduled meeting that he or she attends, on the content of the event and whether a Vendor or potential Vendor attempted to pay any expenses of the Trustee or employee or sponsored any function or event in which the Trustee or employee participated.

B. All expenses related to the travel of a spouse, family or household member, or other invitee of a Trustee, shall be paid by the Trustee or invitee.

Nothing in this policy is intended to limit or restrict travel to, and attendance at, an event by a Trustee or employee when attendance is in a capacity other than as a Trustee or employee and is related to his or her employment, position, membership or affiliation with another organization or entity. When traveling in a capacity other than as Trustee, a Trustee or employee shall not solicit or receive any gift including meals, alcoholic beverages, travel fare, room and board, or any other thing of value from a vendor or potential Vendor of services to the System except in accordance with Section 9(A).

§9. GIFTS AND GRATUITIES

A. All Trustees and Employees of the Boards shall refuse to accept any gift that is received from or offered by a Vendor or potential Vendor except for the following:

1. Items or products of de minimis value of \$10.00 or less;
2. Items or products donated by a Vendor or potential Vendor and awarded at a conference attended by a Trustee as long as they are offered to participants on a random basis through a drawing, raffle or game of chance and have a value of \$100.00 or less. Any item accepted under this provision with a value of greater than \$25.00 shall be reported by the Trustee pursuant to section 9(B).
3. Food or refreshment offered during a conference that appears on the conference agenda, is an integral part of the conference agenda and is offered to all in attendance at the conference and taken in a group setting.

B. A Trustee or Employee of the Boards who receives any item or product from a Vendor or potential Vendor of more than de minimis value shall report the following to the State Treasurer's Office: a description of the product, the date of receipt, the identity of the sender or donor, the item's approximate value, and the disposition of the item by the Trustee or employee. If the item is not perishable, the item shall be promptly returned to the sender. All perishable items shall be donated to a suitable charity or placed in a publicly accessible area for general enjoyment.

C. The State Treasurer's Office shall record the information specified in section 9(B) for public inspection.

§10. INITIATION OR CONTINUATION OF CONTRACTUAL RELATIONSHIP

A. From the time a Board of Trustees has decided to obtain bids or proposals for goods or services, or from the time a Board has under consideration the decision to renew an existing contract, and until a final contract is approved:

1. No Trustee shall have any direct or indirect communication about the bid or proposal with any Vendor or potential Vendor seeking such new or continued contractual relationship with the System except at an open meeting of the Board or an authorized subcommittee of the Board.

2. An Employee of the Board shall limit his or her direct or indirect communication about the bid or proposal with any Vendor or potential Vendor during this time period to that necessary for administration of existing contracts or in connection with administration of the bid or proposal process. All communications shall be documented by the Employee and maintained as a record of the Office of the State Treasurer.

3. A Trustee who receives any direct or indirect communication outside of a meeting of the Board or an authorized subcommittee of the Board with any Vendor or potential Vendor seeking a new or continued contractual relationship with the System shall notify the Board of the communication prior to the Board's final approval of a contract.

B. A Board of Trustees shall require that all Vendors or potential Vendors seeking a new or continued contractual relationship with the System give written disclosure to the Board of all communications or contacts with any Trustees or Employee in the preceding year and any expenditures relating to those communications or contacts. Disclosure will be required before final interviews by the Board or, if there are no final interviews, before approval of a final contract.

C. A Board of Trustees may disqualify a Vendor or potential Vendor from ongoing business or potential business for any communication contrary to the provisions of this section, for attempting to pay any expenses of a Trustee or employee contrary to section 8(A), or for any other conduct having the potential to create a conflict of interest or to cause a breach of fiduciary duty.

D. This regulation shall be included as an attachment to all requests for proposals, bidding documents and contracts of the Boards. The Boards shall require all consultants who conduct manager searches or other vendor searches on behalf of the Boards to provide a copy of this policy to all vendors or potential vendors during the search process.

§11. SANCTIONS

A. A Board of Trustees may take such actions it deems appropriate if a Trustee of the Board fails to comply with the provisions of this rule including, but not limited to:

1. A recommendation that a Trustee refrain from participation and voting in a matter or matters pending before the Board.

2. A recommendation that a Trustee repay or return any gift or benefit received by a Trustee from a Vendor or potential Vendor.

3. A recommendation that a Trustee refrain from particular actions that the Board determines constitute an actual or potential conflict and are detrimental to public confidence in the system's integrity.

B. A Board of Trustees may take appropriate disciplinary action, up to and including dismissal, if an Employee of the Board fails to comply with the provisions of this rule.

Effective Date: July 18, 2001

- End RFP -