

**RFP 2015-01, NH PDIP**

**Request for Proposals for Investment Management Services,  
Recordkeeping, Administrative Services  
and Custodial Services of the  
New Hampshire Public Deposit Investment Pool**

**Issued by:  
The New Hampshire Banking Department, Bank Commissioner  
and  
The Public Deposit Investment Pool Advisory Committee**

**Issued: MARCH 18, 2015**

Question Deadline: Tuesday, March 31, 2015 Time: 2:00 PM EST

Submission Deadline: Friday, April 17, 2015 Time: 2:00 PM EST

Proposal Submission Location: New Hampshire Banking Department  
Office of the Commissioner  
53 Regional Drive, Suite 200  
Concord, NH 03301

[RFP@banking.state.nh.us](mailto:RFP@banking.state.nh.us)

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## **1. DEFINITIONS**

**Committee:** The Advisory Committee as defined under NH RSA 383:24.

**Commissioner:** The Banking Commissioner of the State of New Hampshire duly appointed, the Honorable Glenn A. Perlow.

**Net Asset Value (“NAV”):** A valuation consistent with the provisions of a 2a-7 like pool as defined by Statement No. 31 of the Governmental Accounting Standards Board (GASB). The Pool seeks to preserve and maintain the value of its investment at \$1.00 per share.

**Participants:** As defined under NH RSA 383:22, I.

**Pool:** The New Hampshire Public Deposit Investment Pool (“NH PDIP”) as established pursuant to NH RSA 383:22 et seq. and its members.

**Proposal:** A response submitted by a Proposer which meets all the criteria of this RFP and NH RSA 383:22, II, and rules promulgated thereunder.

**Proposer:** Duly qualified providers who submit a Proposal.

**Provider:** The entity or entities which provide services to the Pool by contract, including the lead or submitting provider and any subcontracted providers, those contracted pursuant to this RFP or under the current service contract(s).

**Representative:** The designated contact person for the Proposer.

**Request for Proposals (“RFP”):** This solicitation of proposals by the Commissioner and the Committee.

**Selected Proposer:** The Proposer who is selected by the Commissioner and the Committee.

## **2. INTRODUCTION**

### **2.1 Purpose of the RFP**

The Commissioner and the Committee, on behalf of the Pool, are seeking competitive proposals from qualified Providers to provide investment advisory services, administrative and investment management services, member services, custodial services, auditing services and other services appropriate for the successful operation and administration of the Pool. This RFP is designed to provide interested Proposers with sufficient basic information to submit proposals meeting minimum requirements. It is not intended to limit a proposal’s content or exclude any relevant or essential information.

## **2.2 Background Information**

The NH PDIP was established in New Hampshire in 1993 pursuant to RSA 383:22, et seq. The mission of the NH PDIP is to offer all New Hampshire public entities an option for depositing and investing funds in a program that features safety, liquidity, and a competitive return. As of February 28, 2015, the year-to-date average balance in the Pool was \$162,319,665 with 666 Participants. Proposers are advised to visit and review the Pool website for an up-to-date view of products and services available to Participants. <http://nhpdip.com/home/>

Since its inception, the Pool has received investment management services including advisory, custodial, client, auditing and administrative and recordkeeping services through a contract with Cutwater Investors Service Corporation (“Cutwater”). Custodial services have been subcontracted to Bank of America. Auditing services have been provided by Tait Weller through agreement with Cutwater subject to approval by the Commissioner and Committee. Cutwater, in addition to providing these services also provided a Credit Facility (letter) until 2010 that guaranteed the principal and accrued interest of the Pool. After 2010, Cutwater has sought and maintained an AAAM credit rating on the Pool from Standard & Poor’s, to provide assurance of the sustainability and operation of the Pool to any third party.

Throughout the term of the contract resulting from this RFP, the investment firm will obtain and maintain a credit rating for a 2a-7 like fund that is satisfactory to the Commissioner and the Committee from a Nationally Recognized Statistical Ratings Organization. The investment firm will be granted the discretion and authority to execute investment transactions subject to the adopted Pool Investment Policy, Objectives and other applicable terms and conditions of the proposal, contract and addenda. Additionally, the Provider shall choose, with the approval of the Commissioner and the Committee, a qualified auditor to perform an annual audit of the Pool in accordance with applicable and accepted auditing standards, requirements, and disclosure for government investment pools.

## **3. PROPOSAL PROCESS**

### **3.1 Proposal Timetable**

Wednesday, March 18, 2015	RFP packages are available to proposers
Tuesday, March 31, 2015	Questions deadline
Friday, April 17, 2015	Proposals due to New Hampshire Banking Department by 2:00 PM (EST)

### **3.2 Proposer Questions**

Pre-proposal questions related to this RFP must be received by Tuesday, March 31, 2015 at 2:00 PM (EST). Responses to each question will be distributed to all Proposers via email above by Friday, April 3, 2015 at 2:00 PM (EST) and posted on the Banking Department's website located at:

<http://www.nh.gov/banking/pdiprfp.html>

All inquiries and requests for clarification and/or additional information shall be submitted in writing via email, citing the RFP page, section, and paragraph to the following employee of the Commissioner:

Emelia A.S. Galdieri  
New Hampshire Banking Department  
Concord, NH  
[emelia.galdieri@banking.state.nh.us](mailto:emelia.galdieri@banking.state.nh.us)

Other than the employee of the New Hampshire Banking Department listed above, Proposers shall make no unsolicited contact with any of the New Hampshire Banking Department personnel regarding this RFP.

### **3.3 Communications Prohibited**

Except as stipulated above, there shall be no communication relative to the RFP or the RFP process between a Proposer or anyone acting on behalf of the Proposer and any of the following:

- (a) Commissioner;
- (b) Advisory Committee Member;
- (c) Member of the Commissioner's staff;
- (d) Person or entity in a position to approve or review a Proposal; or
- (e) Person in position to influence the decision of the Commissioner and/or a Committee Member.

Any other communication shall be grounds for disqualification of a Proposal. The Commissioner and Committee are not bound by oral or written information released prior to the issuance of this RFP.

### **3.4 Proposal Outline**

The following required materials must be submitted to the Commissioner in order for a proposal to be complete:

- A. Transmittal Letter
- B. Certification of Compliance with Requirements of the RFP
- C. Table of Contents
- D. Proposal Details
  - i. Substantive Requirements
  - ii. Program Costs and Management Fees
  - iii. Proposer's Background Information
  - iv. Custodial Services
- E. Reference List
- F. Draft Contract

### **3.4 Proposal Submission**

Each Proposer must submit:

1. A single proposal as the lead proposer and on behalf of any and all sub-agents or subcontractors proposed to be a party to the provisions of the services required by the RFP. This original proposal shall be bound and marked as "Master." The proposal shall be marked as follows:

State of New Hampshire Banking Department  
Response to RFP Number 2015-01  
Public Deposit Investment Pool Proposal

2. Twelve (12) bound copies of the Proposal. These copies shall be marked "Copy."
3. One (1) electronic version of the Proposal.

The original proposal, plus twelve copies, and one electronic copy shall be submitted to the Commissioner no later than Friday, April 17, 2015 by 2:00 PM (EST). No extensions will be granted. Faxed copies will not be accepted. The responsibility for submitting a response to this RFP by the stated time and date will rest solely and strictly with the Proposer.

### **3.5 Compliance with Specifications**

Unless otherwise noted in the Proposer's transmittal letter and otherwise disclosed in accordance with the provisions of this RFP (Exhibit A), the Commissioner and the Committee assume that all Proposals are intended to conform to the specifications outlined in this RFP. The Proposer is responsible for clarifying any ambiguity, conflict, discrepancy, omission, or other error in this RFP before submitting a response; otherwise, the right to raise such issues shall be waived.

### **3.6 Exceptions to RFP Requirements**

Exceptions to the RFP requirements must be summarized on the Certification of Compliance with Requirements of RFP Form (Exhibit A) and a full explanation of the exception must be attached to the Proposal.

## **4. PROPOSAL REQUIREMENTS**

Proposals are required to contain all information listed in this section as follows. Failure to respond to all questions may lead to elimination from consideration. All terms included in a Proposal must remain valid until September 1, 2015.

### **A. Transmittal Letter**

A transmittal letter, no longer than two (2) pages which includes the following information:

1. Identification of the lead submitting Proposer (agent) and subcontractors (sub-agents) if any.
2. Identification of the Representative, including contact information for that individual.
3. A brief statement of the services to be provided and by whom.
4. A brief summary of the Proposer's qualifications to perform this type of engagement.
5. A statement confirming this proposal shall remain valid for the required period after the closing date for receipt of proposals.
6. Certification that the Proposer and any subcontractors are equal opportunity employers.
7. Identification of any apparent conflicts of interest in providing these services to the Pool.
8. Certification that the individual signing the proposal has the authority by the governing board of the lead Proposer and agency relationship with all subcontractors to bind the proposing parties to the terms and conditions set out in the RFP and proposal documents.
9. The signature of the person authorized to contractually obligate the Proposer to the scope, conditions, requirements, terms, and pricing contained in the proposal.

### **B. Certification of Compliance with Requirements of the RFP**

Exhibit A, Certification of Compliance with Requirements of the RFP including exceptions to the RFP.

### **C. Table of Contents**

The table of contents should include clear and complete identification of the materials submitted by section and page number.

## D. Proposal Details

### i. Substantive Requirements

The Proposer must address the following substantive requirements in its Proposal. Failure to meet a substantive requirement will constitute an exception to the RFP and must be fully explained on Exhibit A as outlined above.

#### **Pool Management**

1. The Proposer will follow the requirements for a “2a-7 like pool” as defined by Statement No. 31 of the Governmental Accounting Standards Board (GASB).
2. The Proposer will preserve and maintain the value of the Pool investment at \$1.00 per share.
3. The Proposer will conduct periodic cash flow analyses.
4. The Proposer will maintain pool historical records, forecasts and comparisons.
5. With the advice and consent of the Commissioner and the Committee, the Proposer will recommend, establish, and track a performance benchmark or benchmarks appropriate to the Pool’s objectives.
6. The Proposer will provide compliance with applicable laws and the investment policy.
7. The Proposer will assume all data-management responsibilities for the Pool including providing timely, accurate data transmission.
8. If chosen as the Provider, the Proposer will be responsible for the reasonable costs the Commissioner and Committee incur in preparing the successor RFP.

#### **Duties to the Commissioner and Committee**

9. The Proposer will meet quarterly or as necessary via telephone or in person with the Commissioner and Committee.
10. The Proposer will prepare and present reports at least quarterly, or more often if required, to the Commissioner and Committee.
11. The reports to the Commissioner and Committee will cover at a minimum the following areas and address their impact on the portfolio:
  - a. Economic forecasts;
  - b. Investment strategy and risks;
  - c. Pool and participation levels;
  - d. Status and resolution of any participant issues;
  - e. Results of audits or any other internal or external evaluations material to the Pool’s financial position and operations; and
  - f. Other information material to the Pool’s safety and soundness as the Commissioner and Committee may reasonably require from time to time.
12. The Proposer will review proposed new products or propose alterations to investment policy or objectives when appropriate and submit them to Commissioner and Committee for approval.

13. The Proposer will designate a sole point of contact (and make reasonable provisions for a backup contact) should the Commissioner and Committee need to communicate directly with the Proposer.

### **Client Services**

14. The Proposer will designate a sole point of contact (and make reasonable provisions for a backup contact) to regularly meet with participants of the Pool in person or over the phone.
15. The Proposer will develop and provide participant account application and agreement forms and processes.
16. The Proposer will develop a marketing and information plan to communicate periodically with prospective and current plan participants.
17. The Proposer will assist participants with the completion of enrollment forms and verify the completeness of the forms.
18. The Proposer will distribute enrollment packages on request.
19. The Proposer will provide enrollment counseling to potential participants who wish to discuss the Pool in person or over the telephone.
20. The Proposer will allow participants to have an unlimited number of accounts or sub-accounts.
21. The Proposer will allow participants to invest funds by check, Automated Clearing House (“ACH”) or Fedwire Funds Services (“Fedwire”).
22. The Proposer will allow participants free unlimited transactions on any business day.
23. The Proposer will allow participants the following: no minimum account balances, no minimum transaction amounts, and no minimum transaction balances.
24. The Proposer will provide for and allow participants to make transactions using the following: a secure client data connection, a toll-free telephone, or fax.
25. The Proposer will establish a daily cutoff time for processing transactions.
26. The Proposers will credit or debit, as appropriate, all transactions that meet the daily cutoff time on that same day.
27. Participants will earn daily interest.
28. The Proposer will provide both a toll free number and a secure web portal for participants to access the following information and/or conduct the following transactions:
  - a. Account and sub-account name and number;
  - b. Account balances;
  - c. Transaction date(s);
  - d. Transaction type(s);
  - e. Dollar amount of transaction(s);
  - f. Resulting account value;
  - g. Interest reinvested;
  - h. Month-to-date and Year-to-date interest;
  - i. Daily, monthly, and effective yield;
  - j. A statement of investments for the full Pool Portfolio;
  - k. Historical yield information;
  - l. Make contributions; and

- m. Make withdrawals.
29. Participants will have full access to the secure website portal for participant representatives so authorized to make account transactions.
  30. Participants will have a read-only access to the secure website portal for participant representatives so authorized to view account information.
  31. The toll-free telephone number will be available at least every business day from 8:00 AM to 5:00 PM (EST).
  32. The Proposer will supply the following account information in a monthly statement to each participant:
    - a. Monthly and Fiscal Year to Date (“FYTD”) for each account and for the aggregate total of all accounts:
      - i. Beginning and ending balances;
      - ii. Average daily balance;
      - iii. Contributions;
      - iv. Withdrawals; and
      - v. Income earned.
    - b. Monthly and Fiscal Year to Date (“FYTD”) for each account:
      - i. Average Daily Rates; and
      - ii. Average Annualized Yield.
    - c. Daily Rate Sheet
    - d. Holdings broken down by each obligor including the amount, maturity date, yield/rate, and value.
  33. The Proposer will mail the monthly statements to each participant via U.S. Mail.
  34. The Proposer will allow each participant to opt-in to receive emailed monthly statements in place of statements by U.S. Mail.
  35. The Proposer will email monthly statements to participants opting-in within two (2) business days of the last day of the month.
  36. When emailing participants’ financial information, the Proposer will use encrypted email.
  37. The Proposer will give participants the option of receiving transmission confirmation via either email or telephone.
  38. The Proposer will give participants the option of receiving liquidated investment proceeds via either paper check or wire transfer (Fedwire or ACH) to the participant’s local depository bank.
  39. The Proposer will ensure the accuracy of participants’ data including enrollment, deposit, and withdrawal activity, using audits and other periodic account reviews.
  40. The Proposer will meet at least annually with the Pool participants.

ii. Program Costs and Management Fees

Program Costs:

The Program Administrator for the Pool is responsible for all costs associated with the operation and administration of the Pool which includes, but is not limited to:

- Portfolio Management and Reporting
- Portfolio Accounting and Reporting
- Credit/Risk Management and Compliance
- Custodial Services
- Audit Services
- Legal Services
- Pool Credit Rating
- Sales and Marketing
- Participant Servicing and Training
- Travel and Entertainment

Management Fees:

The Program Administrator shall guarantee that the proposed fee structure be the maximum fee charged during the full term of the contract.

Describe the fee structure proposed which must include:

1. The proposed fee (expressed in basis points) and how the fee will be calculated;
2. How often the fee will be paid to the Program Administrator; and
3. If fees can be waived or abated and under what circumstances that may happen.

The Program Administrator understands and agrees that even if fees are waived or abated that the Program Administrator is still responsible for all costs associated with the Pool.

iii. Background Information

The Proposer must indicate whether it has been:

1. Convicted of or pled guilty or nolo contendere (“no contest”) in a domestic, foreign, or military court to any felony;
2. Charged with any felony;
3. Convicted of or pled guilty or nolo contendere (“no contest”) in a domestic, foreign, or military court to committing or conspiring to commit a misdemeanor involving: (i) financial services or a financial services-related business, (ii) fraud, (iii) false statements or omissions, (iv) theft or wrongful taking of property, (v) bribery, (vi) perjury, (vii) forgery, (viii) counterfeiting, or (ix) extortion;
4. Found by any State or federal regulatory agency or foreign financial regulatory authority or self-regulatory organization to have made a false statement or omission or been dishonest, unfair or unethical;

5. Found by any State or federal regulatory agency or foreign financial regulatory authority or self-regulatory organization to have been involved in a violation of a financial services-related regulation or statute; and/or
6. Found by any State or federal regulatory agency or foreign financial regulatory authority or self-regulatory organization to have been a cause of a financial services-related business having its authorization to do business denied, suspended, revoked or restricted.

The Proposer must provide the following information:

7. Demonstrate that the Proposer is duly registered as authorized to conduct business in the State of New Hampshire and furnish a current Certificate of Good Standing from the Office of the Secretary of State of New Hampshire.
8. Indicate whether you will pay a finder's fee to any third party for business related out of this account.
9. Does your firm act as a broker or as a primary dealer in securities or receive another form of additional compensation (including soft dollars) for client's transactions aside from the direct fee paid by clients?
10. Certify that you have errors, omissions, and fidelity bond coverage and provide a current valid certificate of insurance.
11. Indicate whether the Proposer is a registered investment advisor under the Investment Advisor's Act of 1940.
12. Indicate whether the Proposer has at least five years of experience in managing portfolios for public funds and governmental entities including NAV stable dollar, high liquidity funds and longer term portfolios.
13. Please indicate whether the Proposer has at least \$2 billion in assets under management.
14. Does the Proposer have a policy in place to handle fluctuating cash flows in order to maintain the \$1 NAV.
15. Does the Proposer have a policy in place to address the current low interest rate environment, manage the NH PDIP portfolio NAV of \$1, ensure principal, and remain profitable.
16. In the event that money market reform is applicable to 2a-7 – like funds (i.e., if maintaining a NAV of \$1 is no longer permissible), does the Proposer have a policy in place to structure the Pool differently.

iv. Custodial Services

The Provider must arrange for custodial services for the Pool. The Proposer must address the following requirements for custodial services in its Proposal. Failure to meet a requirement will constitute an exception to the RFP and must be fully explained on Exhibit A as outlined above.

1. The custodian must be a third party that is not affiliated with the Provider.
2. The custodial services must include:
  - a. A process for the daily balancing of the custodial activity and records with the investment advisor.

- b. A system for accepting and delivering securities against payment, also known as “DVP,” in accordance with instructions from the Provider.
  - c. A system for receiving wires, ACH transfers and checks.
  - d. A system for sending outgoing wires, ACH transfers, and checks.
3. The custodian must carry an errors, omissions, and fidelity bond.
  4. The Proposer must include a valid certificate of insurance for the custodian.

Additionally, the Proposer must indicate whether the custodian has been:

5. Convicted of or pled guilty or nolo contendere (“no contest”) in a domestic, foreign, or military court to any felony;
6. Charged with any felony;
7. Convicted of or pled guilty or nolo contendere (“no contest”) in a domestic, foreign, or military court to committing or conspiring to commit a misdemeanor involving: (i) financial services or a financial services-related business, (ii) fraud, (iii) false statements or omissions, (iv) theft or wrongful taking of property, (v) bribery, (vi) perjury, (vii) forgery, (viii) counterfeiting, or (ix) extortion;
8. Found by any State or federal regulatory agency or foreign financial regulatory authority or self-regulatory organization to have made a false statement or omission or been dishonest, unfair or unethical;
9. Found by any State or federal regulatory agency or foreign financial regulatory authority or self-regulatory organization to have been involved in a violation of a financial services-related regulation or statute; and/or
10. Found by any State or federal regulatory agency or foreign financial regulatory authority or self-regulatory organization to have been a cause of a financial services-related business having its authorization to do business denied, suspended, revoked or restricted.

#### E. Reference List

Provide a list of at least five (5) governmental pool clients in the United States that receive investment management services, including management advisory, custodial, administration, marketing, transaction processing, record-keeping, communications, audit and transaction services, from your firm within the past five (5) years. Please also include a list of products and services provided, a description of assets under management, length of service, contact names, titles and other relevant information for those accounts. Please see Exhibit F, Reference Questions, for a list of questions that will be asked of the references.

#### F. Draft Contract

The Proposer must submit a draft contract with the Proposal. The draft contract must contemplate a three-year contract term with two automatic renewals of the contract.

The Selected Proposer shall sign a mutually agreed upon contract within three (3) weeks of selection or a mutually agreed upon length of time. Additionally, the Selected Proposer must complete, sign, and agree to State of New Hampshire, Form Number P-37 (Exhibit E).

The State of New Hampshire reserves the right to modify its standard Form Number P-37 in the course of negotiations with the selected Proposer.

## **5. ADDITIONAL INFORMATION**

### **5.1 Cost Liability**

The State of New Hampshire, the Committee, and the Pool assume no responsibility or liability for services provided or costs incurred by the Proposer to prepare or submit proposals or for samples included in response to this RFP, or in making any requested oral presentation regarding this RFP, or for work performed prior to the effective date of any resulting contract.

### **5.2 Proposal Understanding**

By submitting a proposal, a Proposer agrees and assures that the specifications are adequate and the Proposer accepts the terms and conditions of this RFP. Any exception to these terms and conditions must be noted in the proposal. The Commissioner and the Committee reserve the right to reject any or all proposals based on the exceptions presented, without obligation to communicate or negotiate with the Proposer.

### **5.3 Cancellation**

The Commissioner and the Committee may, upon determining that no satisfactory proposals have been received for any particular service, decide to postpone or cancel this RFP.

### **5.4 Rights to Refuse, Reject, and Proceed to Next Respondent**

The Commissioner and the Committee reserve the right to postpone or cancel this RFP and to reject any or all proposals. The Commissioner and Committee reserve the right to refuse to execute a contract with a Proposer found to be non-responsive by the Commissioner and Committee. If no agreement is reached with a Proposer within a period of time considered reasonable by the Commissioner and Committee, the Commissioner and Committee may terminate negotiations and select another Proposer, issue a new RFP, or take any other action consistent with the Pool's best interests. No Proposer shall have any rights against the Pool or the Commissioner and Committee arising from such action.

### **5.5 No Obligation to Contract**

The Commissioner and the Committee are not obligated to award a contract after issuing this RFP. This RFP does not constitute an offer or a contract with the Commissioner, the Committee, or the State of New Hampshire. A contract shall not be deemed to exist until Proposals are reviewed and evaluated, negotiations with the Provider have been authorized, and a contract has been executed by the parties and approved by the State of New Hampshire Attorney General.

## **5.6 Right to Reject Personnel – Duty to Notify**

The Commissioner and Committee reserve the right to accept or reject personnel designated by the Proposer for program management or service delivery, both as a condition of the initial contract and throughout the term of the contract. A selected Proposer and providers must notify the Commissioner and Committee of all changes in the personnel assigned to this engagement.

## **5.7 Requests for Additional Information**

The Commissioner and Committee reserve the right, during this process, to request additional information. Firms will be given at least five (5) working days from notification to provide requested information.

## **5.8 Public Record**

All Proposals become property of the State of New Hampshire. The information contained in Proposals submitted to the Commissioner and the Committee for consideration will be held in confidence until all evaluations are concluded and a contract has been approved.

Under the Right to Know Law, RSA 91-A, the content of all proposals, correspondence, addenda, memoranda, working papers, or any other medium which discloses any aspect of the RFP process is subject to public disclosure. Therefore, the Commissioner and the Committee makes no representation that it can or will maintain the confidentiality of such information.

Proposers must specifically identify portions of their Proposal that they deemed to be confidential, proprietary information, or trade secrets and provide justification why the Commissioner and the Committee should not disclose such material upon request. The Commissioner and the Committee reserve the right to reject any request for confidentiality by advising the Proposer it may retract, redact, or withdraw such information prior to its being made available.

## **6. PROPOSAL REVIEW PROCESS**

The Commissioner and the Committee will conduct an objective review of the Proposals received in response to this RFP process. The Commissioner and the Committee will eliminate from consideration any Proposals that do not include complete responses to Section D, Proposal Details of this RFP. The evaluation will be based on the demonstrated capabilities of the Proposer in relation to the needs of the Pool as set forth in this RFP. The merits of each Proposal will be evaluated individually according to the objective scoring criteria described below.

The Commissioner and the Committee plan to use the following process in evaluating proposals:

- Initial screening.
- Preliminary scoring of the Proposals and reference checks.
- Interviews.

- Final evaluation of Proposals.

The Commissioner and the Committee reserve the right to omit any planned evaluation step if, in the Commissioner's and the Committee's view, the step is not needed.

### 6.1 Interview Process

Preliminary scores from the initial evaluation of the Proposals will be used to select Proposers to invite to interviews. The purpose of the interviews is to clarify and expound upon information provided in the written Proposals. Proposers are prohibited from altering the basic substance of their Proposal during the interview.

A structured agenda will be used for interviews to ensure standard coverage of each invited Proposer. Information gained from interviews will be used to refine scores assigned from the initial review of the Proposals.

### 6.2 Final Evaluation

The Commissioner and the Committee will conduct final evaluations as a culmination of the entire process of reviewing Proposals and information gathering.

## 7. EVALUATION CRITERIA

The Commissioner and the Committee will score each Proposal in accordance with this section. Points will be distributed among the sections of the RFP and each section will be assigned a weighted percent of the overall score as follows:

Criteria	Method of Scoring	Total Points Available	Overall weighted percentage
A. Transmittal Letter	Each section is worth 1 point for a total of 9 points	9 points	3%
B. Certification of Compliance	Completion of certificate = 1 point  Each exception to a substantive requirement can receive up to 2 points if the Commissioner and Committee find the explanation/response to the exception to be a reasonably feasible alternative to the substantive requirement.	1 point + varying amount	10%
C. Table of Contents	Completion of Table of Contents = 1 point	1 point	2%
D. Proposal Details, (i) Substantive Requirements	40 Requirements at 1 point each	40 points	15%

D. Proposal Details, (ii) Program Costs and Management Fees	Question 1 and 2: Sliding Scale – The lowest overall proposed fee (taking into account amount of fee and frequency of charge) will be awarded 10 points; the second lowest fee will be awarded 9 points; and so on.  Question 3: Sliding Scale – The highest amount of fees waived or abated will be awarded 10 points; the second highest amount of fees waived or abated will receive 9 points; and so on.	20 points	15%
D. Proposal Details, (iii) Background Information	25 Requirements at 1 point each  Answers to questions 1 through 6 indicating that the Proposer has been charged or convicted of a crime or had findings by a regulatory agency will receive zero (0) points.	25 points	15%
D. Proposal Details, (iv) Custodial Services	19 Requirements at 1 point each  Answers to questions 5 through 10 indicating that the Proposer has been charged or convicted of a crime or had findings by a regulatory agency will receive zero (0) points.	19 points	15%
E: References	5 references provided = 1 point  References provided reasonably favorable responses to questions posed = 6 points	7 points	15%
F: Contract	Draft Contract = 1 point Agrees to P-37 = 1 point	2 points	10%
		<b>TOTAL:</b>	<b>100%</b>

## **8. NOTICE OF CONTRACT SELECTION**

If a Proposer is selected, the Commissioner and the Committee will notify the selected Proposer in writing of their selection and the Commissioner's and the Committee's desire to enter into a contract. In the event a contract is not successfully executed in a timely manner, the Commissioner and the Committee may recommend another Proposer. The scope of services and fees for the proposed contract may be negotiated based upon the merit of the application as evaluated by the Commissioner and the Committee.

EXHIBIT A

**State of New Hampshire Public Deposit Investment Pool**

**CERTIFICATION OF COMPLIANCE WITH  
REQUIREMENTS OF RFP**

I have read, understand and agree to comply with the minimum requirements specified in this Request for Proposal. Checking “YES” indicates acceptance as requested, while checking “NO” denotes non-acceptance and should be detailed below. Any exceptions **MUST** be documented.

YES \_\_\_\_\_ NO \_\_\_\_\_ SIGNATURE \_\_\_\_\_

EXCEPTIONS/Explanations: Attach additional sheets if necessary. Please use this format.

**Exceptions/Explanation Summary Form**

<b>RFP REQUIREMENT ITEM</b>	<b>RESTATED REQUIREMENT, EXPLANATION OF ITEM OR IDENTIFICATION AND EXPLANATION OF EXCEPTION</b>

## EXHIBIT B

## SUPPLEMENTAL POOL INFORMATION

### New Hampshire Public Deposit Investment Pool Participants

Albany School District	City of Laconia, Trustee of Trust Funds
Allenstown Public Library	City of Lebanon
Allenstown School District	City of Manchester
Allenstown Sewer Commission	City of Manchester Escrow Accounts
Amherst School District/SAU #39	City of Nashua
Andover School District	City of Portsmouth
Andover Village District	City of Rochester
Androscoggin Valley Reg Refuse Disposal District	City of Somersworth
Ashland School District	Claremont School District
Auburn School District	Clarksville School District
Barnstead School District	Colby Memorial Library
Barrington Public Library	Colebrook School District
Barrington School District	Columbia School District
Bartlett Village Water Precinct	Concord Regional Solid Waste
Bath School District	Concord School District
Bay Sewage District of Moultonboro/Ctr Harbour	Contoocook Valley School District
BCEP Solid Waste District	Conway Public Library Trustees
Bedford School District	Conway School District
Benton School District	Conway Village Fire District
Berlin Economic Development Council	Cook Memorial Library
Berlin Water Works	Coos County
Bethlehem Public Library	Cornish Historical Society
Bethlehem School District	Cornish School District
Bethlehem Village District	County of Belknap
Boscawen Public Library	County of Carroll
Bow School District	County of Cheshire
Brentwood School District	County of Hillsborough
Bristol Cemetery Association	County of Merrimack
Brookline School District	County of Sullivan
Campton School District	Croydon School District
Candia School District	Deerfield School District
Center Harbor Historical Society	Derry Cooperative School District
Central Hooksett Water Precinct	Derry Housing & Redev. Authority
Chatham School District	Derry Public Library
Chester School District	Dresden School District
Chesterfield School District	Dudley-Tucker Library
Chichester School District	Dummer School District
City of Berlin	Dunbarton School District
City of Berlin,Cemetery Trust Fund City of	Durham Public Library
Claremont	East Derry Fire Precinct
City of Claremont Capital Escrow	East Kingston School District
City of Concord	Ellsworth School District
City of Dover	Emerald Village Lake District
City of Dover, Trustee of Trust Funds	Epping School District
City of Franklin	Epsom Public Library
City of Franklin Conservation Commission	Epsom School District
City of Franklin, Trustee of Trust Funds	Epsom Village District
City of Keene	Errol School District
City of Keene, Trustee of Trust Funds	Exeter Region Cooperative School District
City of Laconia	Exeter School District

Fall Mountain Education Endowment Association	Farmington CDBG
Fall Mountain Regional School District	Farmington School District
Farmington Bicentennial	Foster Cemetery Association
Franklin Business & Industrial Develop. Corp.	Jackson Public Library
Fremont School District	Jaffrey-Rindge School District
Fuller Public Library	James A. Tuttle Library - Antrim
Gilford School District	James E. Nichols Memorial Library Assoc.
Gilmanton School District	John Stark Regional School District
Gilsum Public Library	Kearsarge Regional School District
GMILCS, INC	Kensington School District
Goffstown School District	Laconia Airport Authority
Goffstown Village Precinct	Laconia Water Works
Gorham School District	Lafayette Regional School
Gorham, Randolph, Shelburne CSD Trust Funds	Lakes Region Planning Commission
Gorham, Randolph, Shelburne Cooperative School District	Lamson Farm Commission
Gorham, Randolph, Shelburne Education Foundation	Landaff School District
Goshen-Lempster School District	Lebanon Public Libraries
Gov Wentworth Reg School District	Lebanon School District
Grafton County	Lincoln-Woodstock Coop School District
Grantham School District	Lisbon Regional School District
Grasmere Village Water Precinct	Lisbon Water Department
Greenland School District	Litchfield School District
Greenville Estates Village District	Littleton Public Library
Hampstead Public Library	Littleton Union School District
Hampton Beach Village District	Littleton Water & Light Department
Hampton Falls Free Library	Londonderry School District
Hampton Falls School District	Lyme School District
Hampton School District	Lyndeborough Capital Reserve Funds
Hancock Town Library	Lyndeborough School District
Hanover High School	Lyndeborough Trust Funds
Hanover School District	Madison School District
Harrisville School District	Manchester School District
Haverhill Cooperative School District	Mansfield Public Library
Healthy Kid Corp	Marlborough School District
Hebron Historical Society	Marlow School District
Henniker School District	Mascenic Regional School District
Hill School District	Mascoma Valley Regional School District
Hillsboro-Deering Cooperative School District	Mason Conservation Commission
Hinsdale School District	Maxfield Public Library
Holderness Free Library	Merrimack River Valley Flood Control Project
Hollis School District	Merrimack School District
Hollis Social Library	Merrimack Valley School District
Hollis/Brookline School District	Merrimack Village District
Hooksett Library Development Trust	Middleton School District
Hooksett Public Library	Milan School District
Hooksett School District	Milan Village School PTO
Hooksett Sewer Dept.	Milford School District
Hooksett Village Water Precinct	Milton School District
Hopkinton School District	Milton Sewer Commission
Hopkinton Town Library	Minot-Sleeper Library
Hopkinton Village Precinct	Monadnock Regional School District
Hudson School District	Monroe School District
Ingalls Memorial Library	Mont Vernon School District
Inter-Lakes School District	Nashua Region Solid Waste Management District
	Nashua Regional Planning Commission

Nelson School District	Rollinsford School District
New Boston School District	Rollinsford Water & Sewer District
New Castle School District	Rumney School District
New Hampshire City & Town Clerks Association	Rye Public Library Trustees
New Hampshire Hospital	Rye School District
New Hampshire Municipal Association	Rye Water District
New Hampshire Municipal Bond Bank	Salem School District
New Hampshire Public Risk Exchange	Sanborn Regional School District
New Hampshire Tax Collectors Association	SAU #20
New Hampton Village Precinct	SAU #21
New London-Springfield Water System	SAU #22
Newfields Conservation Commission	SAU #23
Newfields School District	SAU #50
Newfound Area School District	SAU #53
Newington School District	SAU #55-Hampstead School District
Newmarket Public Library	SAU #55-Timberlane Regional School District
Newmarket School District,SAU #31	SAU #56
Newport School District	SAU #70
NH - Vermont Solid Waste Project	SE Regional Refuse Disposal District 53B
North Conway Water Precinct	Seabrook Library
North Country Education Foundation	Seabrook School District
North Hampton Public Library	Shaker Regional School District
North Hampton School District	Shelburne School District
North Swanzey Water & Fire Precinct	Souhegan Cooperative School District
North Walpole Village District	Souhegan Regional Landfill District
Northumberland Public Library	South Hampton School District
Northumberland School District	Southeast NH Hazardous Material
Northwood School District	Southern NH Planning Commission
Norwich School District	Stark School District
Nottingham School District	Stewartstown School District
Olivia Rodham Memorial Library	Strafford Con. Com. Easement Fund
Orford School District	Strafford School District
Ossipee Public Library	Stratford School District
Oyster River Cooperative School District	Stratham Hill Park Association
Pease Public Library	Stratham School District
Pelham School District	Stratham Vol Fire Dept Ladies' Auxiliary
Pelham School Lunch Program	Stratham Volunteer Fire Dept.
Pembroke School District	Stratton Free Library
Pembroke Sewer Commission	Sullivan Co. Economic Dev. Council
Pembroke Town Library	Sunapee School District
Pemi-Baker Regional School District	SWNH District Fire Mutual Aid System
Penacook-Boscawen Water Precinct	Tamworth School District
Piermont School District	Temple New Hampshire Trustee of Trust Funds
Pillsbury Free Library	The State of New Hampshire
Pillsbury Lake Village District	Thornton School District
Pittsburg School District	Tilton Sewer Commission
Pittsfield School District	Tilton-Northfield Fire District
Plainfield School District	Town of Acworth
Plymouth School District	Town of Acworth, Trustee of Trust Funds
Plymouth Village Water & Sewer Dist.	Town of Albany
Profile School District	Town of Albany, Trustee of Trust Funds
Randolph School District	Town of Alexandria
Raymond School District	Town of Allentown
Richmond Historical Society	Town of Allentown, Trustee of Trust Funds
Rockingham County Government	Town of Alstead, Trustee of Trust Funds

Town of Amherst	Town of Croydon
Town of Andover	Town of Croydon, Trustee of Trust Funds
Town of Andover, Trustee of Trust Funds	Town of Dalton
Town of Antrim	Town of Danville, Trustee of Trust Funds
Town of Antrim, Trustee of Trust Funds	Town of Deerfield
Town of Ashland	Town of Deerfield, Trustee of Trust Funds
Town of Ashland, Trustee of Trust Funds	Town of Deering
Town of Atkinson	Town of Derry
Town of Atkinson, Trustee of Trust Funds	Town of Dublin
Town of Barnstead	Town of Dummer
Town of Barnstead, Trustee of Trust Funds	Town of Dummer, Bicentennial Fund
Town of Barrington	Town of Dummer, Trustee of Trust Funds
Town of Barrington, Trustee of Trust Funds	Town of Dunbarton
Town of Bartlett	Town of Dunbarton, Trustee of Trust Funds
Town of Bath	Town of Durham
Town of Bath, Trustee of Trust Funds	Town of Durham Conservation Commission
Town of Bedford	Town of Durham, Trustee of Trust Funds
Town of Bedford, Trustee of Trust Funds	Town of East Kingston Conservation Commission
Town of Belmont, Trustee of Trust Funds	Town of Eaton
Town of Bennington, Trustee of Trust Funds	Town of Eaton, Trustee of Trust Funds
Town of Bethlehem	Town of Effingham
Town of Bethlehem, Trustee of Trust Funds	Town of Enfield
Town of Boscawen	Town of Enfield, Trustee of Trust Funds
Town of Boscawen Conservation Commission	Town of Epping
Town of Boscawen, Trustee of Trust Funds	Town of Epping, Trustee of Trust Funds
Town of Bow	Town of Epping-Conservation Commission
Town of Bradford	Town of Epsom
Town of Brentwood	Town of Epsom, Trustee of Trust Funds
Town of Brentwood, Trustee of Trust Funds	Town of Errol
Town of Bristol	Town of Exeter
Town of Bristol, Trustee of Trust Funds	Town of Exeter, Trustee of Trust Funds
Town of Brookfield	Town of Farmington
Town of Brookfield, Trustee of Trust Funds	Town of Fitzwilliam
Town of Brookline	Town of Francestown
Town of Brookline Engineering Escrow Acct	Town of Franconia
Town of Brookline, Trustee of Trust Funds	Town of Franconia, Trustee of Trust Funds
Town of Campton	Town of Freedom
Town of Canaan	Town of Fremont
Town of Canaan, Trustee of Trust Funds	Town of Fremont Cemetery Fund
Town of Candia	Town of Fremont Conservation Commission
Town of Candia, Trustee of Trust Funds	Town of Fremont School Impact Fees
Town of Canterbury	Town of Fremont, Capital Reserve Funds
Town of Canterbury, Trustee of Trust Funds	Town of Fremont, Trustee of Trust Funds
Town of Carroll	Town of Gilford
Town of Carroll, Trustee of Trust Funds	Town of Gilmanton
Town of Center Harbor	Town of Gilmanton, Trustee of Trust Funds
Town of Center Harbor, Trustee of Trust Funds	Town of Gilsum
Town of Charlestown	Town of Gilsum, Trustee of Trust Funds
Town of Chester	Town of Goffstown
Town of Chichester	Town of Goffstown, Trustee of Trust Funds
Town of Colebrook	Town of Gorham
Town of Columbia	Town of Gorham, Trustee of Trust Funds
Town of Conway	Town of Goshen, Trustee of Trust Funds
Town of Conway, Trustee of Trust Funds	Town of Grafton
Town of Cornish	Town of Grafton, Trustee of Trust Funds

Town of Grantham  
Town of Grantham, Trustee of Trust Funds  
Town of Greenfield  
Town of Greenfield, Trustee of Trust Funds  
Town of Groton  
Town of Groton, Trustee of Trust Funds  
Town of Hampstead  
Town of Hampton  
Town of Hampton, Trustee of Trust Funds  
Town of Hampton Falls  
Town of Hampton Falls, Trustee of Trust Funds  
Town of Hancock  
Town of Hanover  
Town of Hanover Conservation Commission  
Town of Hanover, Trustee of Trust Funds  
Town of Harrisville  
Town of Harrisville, Trustee of Trust Funds  
Town of Haverhill  
Town of Hebron, Trustee of Trust Funds  
Town of Henniker  
Town of Hill  
Town of Hill, Trustee of Trust Funds  
Town of Hillsborough  
Town of Hillsborough - Water & Sewer  
Town of Hillsborough, Trustee of Trust Funds  
Town of Hinsdale  
Town of Holderness  
Town of Holderness, Trustee of Trust Funds  
Town of Hollis  
Town of Hollis Conservation Commission  
Town of Hollis, Trustee of Trust Funds  
Town of Hooksett  
Town of Hooksett, Trustee of Trust Funds  
Town of Hopkinton  
Town of Hopkinton, Trustee of Trust Funds  
Town of Hudson  
Town of Hudson, Trustee of Trust Funds  
Town of Jackson  
Town of Jaffrey  
Town of Jefferson, Trustee of Trust Funds  
Town of Kensington  
Town of Kensington, TTF Capital Reserve Funds  
Town of Kensington, Trustee of Trust Funds  
Town of Kingston  
Town of Kingston, Trustee of Trust Funds  
Town of Lancaster  
Town of Lancaster, Trustee of Trust Funds  
Town of Landaff  
Town of Landaff, Trustee of Trust Funds  
Town of Langdon, Trustee of Trust Funds  
Town of Lee  
Town of Lempster  
Town of Lempster, Trustee of Trust Funds  
Town of Lincoln  
Town of Lincoln, Trustee of Trust Funds

Town of Lisbon  
Town of Lisbon, Trustee of Trust Funds  
Town of Litchfield  
Town of Litchfield, Trustee of Trust Funds  
Town of Littleton  
Town of Littleton, Trustee of Trust Funds  
Town of Londonderry  
Town of Londonderry, Trustee of Trust Funds  
Town of Loudon  
Town of Loudon, Capital Reserve Funds  
Town of Loudon, Trustee of Trust Funds  
Town of Lyman  
Town of Lyman, Trustee of Trust Funds  
Town of Lyme  
Town of Lyme, Trustee of Trust Funds  
Town of Madbury  
Town of Madbury Conservation Commission  
Town of Madbury Water District  
Town of Madbury, Trustee of Trust Funds  
Town of Madison  
Town of Madison, Trustee of Trust Funds  
Town of Marlborough  
Town of Marlow  
Town of Mason  
Town of Mason Forest Committee  
Town of Meredith  
Town of Merrimack  
Town of Merrimack, Trustee of Trust Funds  
Town of Middleton  
Town of Middleton, Trustee of Trust Funds  
Town of Milan  
Town of Milan, Trustee of Trust Funds  
Town of Milford  
Town of Monroe  
Town of Monroe Trustee of Trust Funds  
Town of Mont Vernon  
Town of Mont Vernon, Trustee of Trust Funds  
Town of Moultonborough  
Town of Moultonborough, Trustee of Trust Funds  
Town of Nelson  
Town of Nelson, Trustee of Trust Funds  
Town of New Boston  
Town of New Castle  
Town of New Durham  
Town of New Durham, Trustee of Trust Funds  
Town of New Hampton  
Town of New Ipswich  
Town of New Ipswich, Trustee of Trust Funds  
Town of New London  
Town of New London Sewer Commission  
Town of New London, Trustee of Trust Funds  
Town of Newbury  
Town of Newbury, Trustee of Trust Funds  
Town of Newfields  
Town of Newington

Town of Newington Sewer Commission  
Town of Newmarket  
Town of Newmarket, Trustee of Trust Funds  
Town of Newport  
Town of Newton  
Town of North Hampton  
Town of North Hampton, Trustee of Trust Funds  
Town of Northfield  
Town of Northfield, Trustee of Trust Funds  
Town of Northumberland  
Town of Northumberland, Trustee of Trust Funds  
Town of Northwood, Trustee of Trust Funds  
Town of Nottingham  
Town of Nottingham, Trustee of Trust Funds  
Town of Orange, Trustee of Trust Funds  
Town of Orford  
Town of Ossipee, Trustee of Trust Funds  
Town of Pelham  
Town of Pembroke, Trustee of Trust Funds  
Town of Peterborough  
Town of Pittsburg  
Town of Pittsburg, Trustee of Trust Funds  
Town of Pittsfield  
Town of Pittsfield, Trustee of Trust Funds  
Town of Plainfield  
Town of Plainfield, Trustee of Trust Funds  
Town of Plaistow  
Town of Plaistow, Trustee of Trust Funds  
Town of Plymouth  
Town of Plymouth, Trustee of Trust Funds  
Town of Randolph  
Town of Randolph, Library Trust Funds  
Town of Randolph, Trustee of Trust Funds  
Town of Raymond  
Town of Richmond  
Town of Richmond Conservation Commission  
Town of Richmond, Trustee of Trust Funds  
Town of Rindge  
Town of Rollinsford  
Town of Roxbury  
Town of Rumney  
Town of Rye  
Town of Rye Conservation Commission  
Town of Rye, Trustee of Trust Funds  
Town of Salisbury  
Town of Salisbury, Trustee of Trust Funds  
Town of Sandown  
Town of Sandown, Trustee of Trust Funds  
Town of Sandwich  
Town of Sandwich, Trustee of Trust Funds  
Town of Seabrook  
Town of Sharon, Trustee of Trust Funds  
Town of Shelburne  
Town of Shelburne, Trustee of Trust Funds  
Town of South Hampton

Town of South Hampton, Trustee of Trust Funds  
Town of Springfield  
Town of Stark  
Town of Stark, Trustee of Trust Funds  
Town of Strafford  
Town of Strafford, Trustee of Trust Funds  
Town of Stratford  
Town of Stratford, Trustee of Trust Funds  
Town of Stratham  
Town of Stratham Fair Association  
Town of Stratham, Trustee of Trust Funds  
Town of Sugar Hill Conservation Commission  
Town of Sugar Hill Library Trustees  
Town of Sugar Hill, Trustee of Trust Funds  
Town of Sullivan  
Town of Sullivan Conservation Commission  
Town of Sullivan, TOTF Comb Cap Res Fd  
Town of Sullivan, Trustee of Trust Funds  
Town of Sunapee  
Town of Sunapee Sewer Department  
Town of Sunapee, Trustee of Trust Funds  
Town of Sunapee, Water Department  
Town of Surry, Trustee of Trust Funds  
Town of Sutton  
Town of Sutton Conservation Commission  
Town of Sutton, Trustee of Trust Funds  
Town of Swanzey  
Town of Swanzey, Trustee of Trust Funds  
Town of Tamworth  
Town of Tamworth, Trustee of Trust Funds  
Town of Temple  
Town of Thornton  
Town of Thornton, Trustee of Trust Funds  
Town of Tilton  
Town of Tilton, Trustee of Trust Funds  
Town of Troy  
Town of Troy Sewer Department  
Town of Troy, Trustee of Trust Funds  
Town of Tuftonboro, Trustee of Trust Funds  
Town of Wakefield, Trustee of Trust Funds  
Town of Walpole  
Town of Walpole, Trustee of Trust Funds  
Town of Warner  
Town of Warren, Trustee of Trust Funds  
Town of Washington  
Town of Washington Fire Dept/ Aux Schlrschp FD  
Town of Washington, Trustee of Trust Fund  
Town of Waterville Valley  
Town of Waterville Valley, Trustee of Trust Funds  
Town of Weare  
Town of Webster  
Town of Webster, Trustee of Trust Funds  
Town of Wentworth  
Town of Wentworth, Trustee of Trust Funds  
Town of Westmoreland

Town of Westmoreland, Trustee of Trust Funds  
Town of Whitefield  
Town of Whitefield, Trustee of Trust Funds  
Town of Wilmot  
Town of Wilton  
Town of Wilton, Trustee of Trust Funds  
Town of Winchester  
Town of Wolfeboro  
Town of Wolfeboro, Trustee of Trust Funds  
Town of Woodstock  
Trustee of Trust Funds, Town of Newfields  
Trustees of Trust Funds, Jackson, NH  
Tuftonboro Free Library  
Union School District of Keene  
Unity School District  
Upper Valley Lake Sunapee Regional Planning  
Commission  
Village District of Eastman  
Village District of Eidelweiss  
Village District of Little Boar's Head  
Wadleigh Memorial Library  
Wakefield School District, SAU #64  
Warner Village Water District  
Warren School District  
Washington Rescue Squad

Washington School District  
Waterville Estates Village District  
Weare School District  
Webster Free Public Library  
Webster Memorial Library  
Weeks Public Library  
Wentworth Elementary School  
Wentworth Historical Society  
Wentworth School District  
Westmoreland School District  
White Mountains Regional School District  
Whitefield Public Library  
William Adams Bachelder Library  
William D. Weeks Memorial Library  
Wilmot Volunteer Fire Company  
Wilton School District  
Wilton-Lyndeborough Coop School District  
Winchester School District  
Windham School District  
Windsor School District  
Winnacunnet Cooperative School District  
Winnisquam Regional School District  
Wolfeboro Public Library  
Woodsville Water & Light Dept

## EXHIBIT C BAN 900 RULES

### CHAPTER Ban 900 PUBLIC DEPOSIT INVESTMENT POOL

#### PART Ban 901 PURPOSE

Ban 901.01 Purpose. The purpose of these rules is to implement the provisions of RSA 383:22 et seq., relative to the creation of a public deposit investment pool.

Source. #5368, eff 4-02-92, EXPIRED: 4-2-98

New. #9702, eff 4-29-10

#### PART Ban 902 DEFINITIONS

Ban 902.01 “Commissioner” means the New Hampshire banking department bank commissioner.

Source. #5368, eff 4-02-92, EXPIRED: 4-2-98

New. #9702, eff 4-29-10

Ban 902.02 “Committee” means the public deposit investment pool advisory committee established by RSA 383:24.

Source. #9702, eff 4-29-10

Ban 902.03 “Department” means the New Hampshire banking department.

Source. #9702, eff 4-29-10

Ban 902.04 “Pool” means the public deposit investment pool established by RSA 383:22.

Source. #9702, eff 4-29-10

Ban 902.05 “Proposal” means the submission to the commissioner and the committee of a response to the RFP by a proposer.

Source. #9702, eff 4-29-10

Ban 902.06 “Proposer” means a federally registered or federally exempt from registering investment manager or investment advisor who submits, or plans to submit, a proposal to administer, manage and advise the pool.

Source. #9702, eff 4-29-10

Ban 902.07 “Request for proposal (RFP)” means the solicitation of proposals from investment managers and investment advisors by the commissioner and the committee- pursuant to RSA 383:22, II.

Source. #9702, eff 4-29-10

#### PART Ban 903 REQUEST FOR PROPOSAL

Ban 903.01 Obtaining the RFP. A proposer may obtain the RFP by:

(a) Writing to:

Commissioner  
New Hampshire Banking Department  
53 Regional Drive, Suite 200  
Concord, NH 03301

Attn: NH PDIP RFP; or

(b) Going online at <http://www.nh.gov/banking/>.

Source. #5368, eff 4-02-92, EXPIRED: 4-2-98

New. #9702, eff 4-29-10

#### PART Ban 904 FILING A PROPOSAL

Ban 904.01 Filing a Proposal. Proposers shall submit a proposal in the manner and within the time period set forth in the RFP.

Source. #5368, eff 4-02-92, EXPIRED: 4-2-98

New. #9702, eff 4-29-10

Ban 904.02 Late-filed Proposals. Proposals received after the date described in Ban 904.01 shall not be considered.

Source. #5368, eff 4-02-92, EXPIRED: 4-2-98

New. #9702, eff 4-29-10

Ban 904.03 Inquiries. Inquiries relative to the RFP shall be directed to the commissioner.

Source. #5368, eff 4-02-92, EXPIRED: 4-2-98

New. #9702, eff 4-29-10

Ban 904.04 Request for Additional Information. Proposers shall, upon request, provide the commissioner and the committee with additional information to assist the commissioner and the committee in their evaluation of the proposal.

Source. #5368, eff 4-02-92, EXPIRED: 4-2-98

PART Ban 905 CRITERIA FOR REVIEWING PROPOSALS

Ban 905.01 Criteria.

(a) The criteria utilized by the commissioner and the committee to evaluate the proposals shall be set forth in the RFP and at a minimum include that the proposer:

- (1) Is an equal opportunity employer;
- (2) Possesses an understanding of, and the ability to execute, the pool's investment objectives and constraints;
- (3) Demonstrates a commitment to assign a qualified team of individuals to the pool;
- (4) Shows:
  - a. Recommendations for management approaches for the pool;
  - b. Additional investment or financial services available, or offered and available through affiliation;
  - c. Adequacy of financial controls and protection against loss; and
  - d. The potential success of a marketing plan;
- (5) Submits a clear and complete response to the RFP;
- (6) Proposes fees and compensation; and
- (7) Complies with applicable federal and state laws and regulations including those relating to safeguards that secure data and insurance.

(b) Other criteria may be utilized by the commissioner and the committee to evaluate proposals, depending on the particular RFP.

(c) Such criteria in (b) above may include, but not be limited to, a proposer who:

- (1) Possesses:
  - a. Resources with qualifications such as, but not limited to, personnel to execute the pool's objectives;
  - b. Experience in managing local government operating and capital funds and providing the administrative support for such management;
  - c. Experience in managing the mechanics of processing paperwork and electronic data;
  - d. Administration and technology required for processing paperwork and electronic data related to pool operations; and

- e. The ability to generate accurate and complete reports related to the pool; and
- (2) Demonstrated experience in management of assets of comparable size to the pool.

Source. #5368, eff 4-02-92, EXPIRED: 4-2-98

New. #9702, eff 4-29-10

Ban 905.02 Oral Presentation of Proposal.

(a) The commissioner and the committee, after reviewing the submitted proposals, shall request oral presentations of those proposers who:

- (1) Met the criteria in Ban 905.01; and
- (2) The commissioner and the committee have voted to interview to further clarify the qualifications of the proposer.

(b) Oral presentations shall be at the expense of the bidder.

Source. #9702, eff 4-29-10

**APPENDIX**

<b>Rule</b>	<b>Statute</b>
Part Ban 901 – Part Ban 905	RSA 383:23, III

EXHIBIT D INVESTMENT POLICY AND OBJECTIVES

EXHIBIT D  
 INVESTMENT CRITERIA  
 NEW HAMPSHIRE PUBLIC DEPOSIT INVESTMENT POOL

List of Permitted Investments

<u>Type</u>	<u>Portfolio % Limit</u>	<u>Maximum Maturity</u>	<u>Investment Selection Criteria</u>	<u>Additional Qualifications and Comments</u>
A. U.S. Treasuries-Bills, Notes, and Bonds  U.S. Treasury Floating Rate Notes	None  50%	397 days  2 years		
B. U.S. Government Agencies (Fixed Rate)	None	397 days	Restricted to: FNMA, FHLB, SLMA, FHLMC, FFCB, TVA	
C. U.S. Government Agencies (Floating Rate – quarterly or shorter resets)	50%	2 years	Restricted to: FNMA, FHLB, SLMA, FHLMC, FFCB, TVA.	The following floaters are prohibited: Range, inverse or leveraged floaters; capped floaters; COFI or CMT floaters.  Indices not at least 95% correlated to Fed Funds rate and three-month LIBOR for the past five years are “higher-risk investments.”
D. Asset-backed Securities	10% 5% per issuer	397 days	2a-7 eligible only. AAA/Aaa rated by S&P and Moody’s or equivalent short term rating (A1+/P1).  Credit card and auto loan receivable backed deals only.	“Final maturity date” means unconditional payment of principal and interest prior to that date.

<u>Type</u>	<u>Portfolio % Limit</u>	<u>Maximum Maturity</u>	<u>Investment Selection Criteria</u>	<u>Additional Qualifications and Comments</u>
E. State of New Hampshire and New Hampshire municipality obligations	20%	1 year	A-/A3 or better rated by S&P and Moody's.	
F. Money Market Mutual Funds	20% 10% per issuer		Government only money market funds.	
G. Short Term Corporate Obligations  <u>Commercial Paper (CP)</u>  Domestic CP  <u>Certificates of Deposit (CDs)</u> <u>Bankers Acceptances (BAs)</u>  Domestic CDs, BAs	75%  75%  75% 5% per issuer  25%  25% 5% per issuer	180 days      120 days	Overall limit includes domestic and Yankee issues.  A1/P1 or better (except where noted below)  Overall limit includes domestic and Yankee issues.  A1/P1 or better (except where noted below). Bank assets must be in excess of \$500 MM.	Negotiable CDs permitted.  Program Administrator approved names only.

<u>Type</u>	<u>Portfolio % Limit</u>	<u>Maximum Maturity</u>	<u>Investment Selection Criteria</u>	<u>Additional Qualifications and Comments</u>
<p>In addition, the following limits apply for corporate debt obligations:</p> <ul style="list-style-type: none"> <li>• Yankee CP</li> <li>• Yankee CDs, BAs</li> </ul>	<p>20% 5% per issuer</p>	<p>180 days  120 days</p>	<p>Overall limit includes domestic and Yankee issues.</p> <p>A1/P1 or better only.</p>	
<p>H. Repurchase Agreements</p> <p>Counterparty must be explicitly rated A-1 or higher by S&amp;P, or possess guarantee that has been reviewed by S&amp;P from a rated parent.</p>	<p>None 25%</p>	<p>&lt;7 days &gt;7 days in no case greater than 30 days</p>	<p>102% collateralized by U.S. Treasury or Government Agency obligations.</p> <p>ARMs, CMOs, and structured notes not permitted.</p> <p>Deliverable (DVP) or Tri-Party permitted.</p> <p>Term repo must be marked to market daily. The Program Administrator must have record.</p>	<p>May be executed with primary dealers rated A1 or higher by S&amp;P (or possess a guarantee that has been reviewed by S&amp;P from a rated parent) or P-1 by Moody's.</p> <p>Limited to 15% per counterparty for repos greater than overnight.</p> <p>PSA Master Repurchase Agreements and Tri-Party documentation must be on file with the Program Administrator prior to execution of any transaction.</p> <p>Quarterly evaluations of counterparties must be on file with the Program Administrator as well as annual review of custodian.</p>

<u>Type</u>	<u>Portfolio % Limit</u>	<u>Maximum Maturity</u>	<u>Investment Selection Criteria</u>	<u>Additional Qualifications and Comments</u>
I. Reverse Repurchase Agreements	25%	“Overnight” or “Open”	Cash collateral must equal 98% of securities reversed at all time, marked to market daily.	<p>May be executed with primary dealers rated A1 or higher by S&amp;P (or possess a guarantee that has been reviewed by S&amp;P from a rated parent) or P-1 by Moody’s.</p> <p>Limited to 15% per counterparty.</p> <p>Reverses will be used for economic value or for liquidity purposes. Cash will only be invested overnight.</p>
J. Collateralized Deposits	<p>40%</p> <p>20% per A-1+ issuer</p> <p>10% per A-1 issuer</p>	Overnight	<p>Acceptable collateral:</p> <ul style="list-style-type: none"> <li>• FHLB LOC</li> <li>• U.S. Treasuries-Bills, Notes, and Bonds</li> <li>• U.S. Government Agencies (Fixed Rate), restricted to: FNMA, FHLB, SLMA, FHLMC, FFCB, TVA</li> <li>• Tri-Party</li> </ul>	<p>Agreement Letter and Tri-Party Documentation must be on file with the Program Administrator prior to execution of the transaction.</p> <p>Quarterly evaluations of counterparties must be on file with the Program Administrator as well as annual review of custodian.</p>

<u>Type</u>	<u>Portfolio % Limit</u>	<u>Maximum Maturity</u>	<u>Investment Selection Criteria</u>	<u>Additional Qualifications and Comments</u>
K. Temporary Liquidity Guarantee Program (TLGP)	50%	Final Maturities of 2 years or less	Direct investment or Repurchase Agreement with TLGP as collateral.	<p>This is a temporary investment option for so long as the investments are guaranteed under the Federal Deposit Insurance Corporation's Temporary Liquidity Guarantee Program and backed by the full faith and credit of the United States.</p> <p>The FDIC guarantee is expected to expire with the final maturity date of 12/31/2012 or unless further extended.</p> <p>No more than 5% invested with any one issuer.</p>

Additional Guidelines Pertaining to All Securities Positions

No security with a maturity greater than 397 days may be purchased except for floating rate securities as described below.

The weighted average maturity to reset (effective duration) of the entire portfolio may not exceed 60 days and weighted average maturity to final maturity may not exceed 90 days.

Daily liquidity: Minimum 10% asset allocation in cash/US Treasury or securities that can be converted to cash/mature within one day.

Weekly liquidity: Minimum 30% asset allocation in cash/US Treasury, certain government agencies (Discount Notes that mature within 60 days or less) or securities that can be converted to cash/mature within one week.

The reset frequency of variable rate U.S. Government Agency obligations, rather than their nominal maturities, shall be used when calculating the weighted average maturity of the portfolio. Only those floaters which reset no less than quarterly and have final maturities of two years or less may be purchased henceforth.

Except for U.S. Treasury and U.S. Government Agency obligations and repo collateralized by U.S. Treasury or U.S. Government Agency obligations, collateralized deposits, no more than 5% of the portfolio may be invested in the obligations of any one issuer. (Letters of Credit and other guarantees shall be considered obligations of an issuer for purposes of this requirement.)

Portfolio shall not exceed a total of 75% in commercial paper (domestic and Yankee).

Stress Testing done at a minimum on a monthly basis. The stress test should show the impact in each of the following scenarios (and a combination of those scenarios): Parallel interest-rate shifts of plus/minus 200bps in 25-basis point increments. Asset decreases (i.e., redemptions) of 10%, 15%, 20%, 25% and the percentage of the largest historical five business day net redemptions for the fund.

Acronyms:

ARM:	Adjustable Rate Mortgage
BA:	Bankers Acceptance
CD:	Certificate of Deposit
CMO:	Collateralized Mortgage Obligation
CM:	Constant Maturity Treasury Index
COFI:	Cost of Funds Index
CP:	Commercial Paper
DVP:	Delivery Versus Payment
FDIC:	Federal Deposit Insurance Corporation's
FFCB:	Federal Farm Credit Bank
FHLB:	Federal Home Loan Bank
FHLB LOC:	Federal Home Loan Bank Letter of Credit
FHLMC:	Federal Home Loan Mortgage Corporation
FNMA:	Federal National Mortgage Association
LIBOR:	London Inter Bank Offered Rate
NRSRO:	Nationally Recognized Statistical Rating Organization
SLMA:	Student Loan Marketing Association
TLGP:	Temporary Liquidity Guarantee Program
TVA:	Tennessee Valley Author

## EXHIBIT F REFERENCE QUESTIONS

1. Who do you work with at the Proposer's firm?
2. Have you had a good experience working with that person at the firm?
3. Please describe the firm's strengths and weaknesses.
4. Are your pool members satisfied that the firm has successfully met the objectives of the pool?
5. How responsive is the Proposer's firm to inquiries from pool members?
6. Does the Proposer's firm demonstrate a high level of knowledge related to 2a-7 like pools?

**TITLE XXXV**  
**BANKS AND BANKING; LOAN ASSOCIATIONS; CREDIT UNIONS**

**CHAPTER 383**  
**BANK COMMISSIONER**

**Public Deposit Investment Pool**

**Section 383:22**

**383:22 Public Deposit Investment Pool. –**

I. The commissioner shall, with the assistance of the advisory committee created under RSA 383:24, establish and operate, beginning on January 1, 1992, a public deposit investment pool, for the purpose of investing funds of the state, and funds under the custody of governmental units, pooled risk management programs established pursuant to RSA 5-B, agencies, authorities, commissions, boards, political subdivisions and all other public units within or instrumentalities of the state.

II. The public deposit investment pool shall be operated under contract with a private investment advisor, approved by the bank commissioner and advisory committee. The commissioner and advisory committee shall choose an investment advisor by requesting proposals from advisors and reviewing such proposals based on criteria adopted by rule under RSA 383:23.

III. The commissioner shall make available to prospective depositors detailed information on the public deposit investment pool, similar to that information generally contained in a securities prospectus. The commissioner shall also ensure that periodic statements of accounts and reports on holdings are provided to pool participants relative to their proportionate share of the pool.

IV. The commissioner shall cause an independent audit of the pool to be conducted on an annual basis. The auditor shall be selected by the advisory committee.

**Source.** 1991, 268:1, eff. Aug. 9, 1991.

**Section 383:23**

**383:23 Rulemaking.** – Prior to January 1, 1992, the commissioner shall, with the approval of the advisory committee, adopt rules, pursuant to RSA 541-A, relative to:

I. Formulation of a disclosure policy and materials to be included in a prospectus and in periodic reports to participants, including:

- (a) A written statement of policy and pool objectives;
- (b) Investment objectives designed to meet the pool objectives;
- (c) A description of eligible investment instruments;

- (d) The credit standard of investment;
- (e) Allowable maturity range of investments;
- (f) The limits of portfolio concentration permitted for each type of security;
- (g) Safekeeping practices;
- (h) Definition of pool participant eligibility;
- (i) Disclosure of size of accounts, size of transactions and administrative costs; and
- (j) Instructions for establishing and utilizing accounts.

II. Investment and administrative policies, practices and restrictions, including the frequency and method used for calculating valuation, yields and earnings.

III. Requests for proposals from investment managers and criteria for reviewing such proposals.

**Source.** 1991, 268:1, eff. Aug. 9, 1991.

## **Section 383:24**

### **383:24 Advisory Committee. –**

I. There is established an advisory committee on the public deposit investment pool, consisting of the following members:

- (a) The state treasurer.
- (b) The commissioner of the department of revenue administration or designee.
- (c) Two members appointed by the New Hampshire Government Finance Officers

Association.

- (d) Two members appointed by the New Hampshire Bankers Association.
- (e) One county finance officer appointed by the New Hampshire Association of Counties.
- (f) One city finance officer, appointed by the New Hampshire Municipal Association.
- (g) One school district finance officer, appointed by the New Hampshire School Boards

Association.

II. The advisory committee shall assist and advise the commissioner on the establishment and operation of the investment pool, including:

- (a) Formulating the disclosure policy.
- (b) Determining eligible investment vehicles.
- (c) Establishing performance standards.
- (d) Monitoring the outflow of funds from financial institutions.
- (e) Determining compliance with written investment policies.
- (f) Conducting periodic reviews of the public deposit investment pool.

**Source.** 1991, 268:1, eff. Aug. 9, 1991.