

REQUEST FOR PROPOSALS
INVESTMENT MANAGEMENT SERVICES

DUTCHESS COUNTY BOARD OF COOPERATIVE EDUCATIONAL SERVICE
on behalf of
DUTCHESS EDUCATIONAL HEALTH INSURANCE CONSORTIUM
and
DUTCHESS COUNTY SCHOOL COOPERATIVE WORKERS COMPENSATION SELF-INSURANCE PLAN

The Dutchess Educational Health Insurance Consortium (DEHIC) and the Dutchess County School Cooperative Workers Compensation Self-Insurance Plan (Workers Comp. Consortium), separate consortiums administered by Dutchess County Board of Cooperative Educational Services (BOCES), are soliciting proposals from interested firms for the provision of investment management services for the consortium funds. The average daily balance of the invested assets is approximately:

DEHIC	\$10,000,000
Workers Comp.	\$8,000,000

The Dutchess County Board of Cooperative Educational Services (BOCES) is a municipal corporation and the investment of consortium funds by BOCES is guided by the applicable State statutes. A copy of the BOCES Investment Policy is attached for your information.

Although the request has been combined for efficiency, DEHIC and the Workers Comp. Consortium will choose the winning candidate separately. Proposals should be made for each consortium both individually and on a combined basis.

CRITERIA FOR SELECTION

1. Understanding of scope of assignment.
2. Experience and qualifications of firm and individuals assigned.
3. Recommended approach to management of the portfolios.
4. Familiarity with Federal arbitrage restrictions and state investment and reporting requirements.
5. Fees.

SELECTION TIMETABLE

October 14, 2004	Proposals due by 2:00 p.m.
November 2, 2004	Interviews with finalists
December 31, 2004	Consortiums approve selection of portfolio manager(s)

FORMAT FOR PROPOSALS

Please format your response to this RFP in the following manner:

I. Organization

- A. Describe organization, date founded, ownership and other business affiliations (please provide number and location of affiliated offices). Specify the number of years your organization has provided investment management services.
- B. Describe your firm's revenue sources (e.g., investment management, institutional research, etc.) and comment on your firm's financial condition.
- C. Within the past three years have there been any significant developments in your organization (changes in ownership, new business ventures). Do you expect any changes in the near future?
- D. Describe any SEC censure or litigation involving your organization, any officer, or employee at any time.
- E. Please identify the types of accounts managed by your firm (corporate, pension, high net worth, endowment/foundation, government).
- F. Describe the firm's professional/errors and omissions insurance coverage.

II. Personnel

- A. Identify the number of professionals employed by your firm, by classification.
- B. Provide an organization chart showing function, positions and titles of all the professionals in your organization.
- C. Provide biographical information on investment professionals, including number of years at your firm that will be involved in the decision-making process for our portfolio. Identify the person who will be the primary portfolio manager assigned to the Consortium accounts.
- D. Please describe your firm's compensation policies for investment professionals.

III. Assets Under Management

- A. Summarize your institutional investment management asset totals by category for your latest reporting period in the following table:

Operating Funds \$ _____

Pension Funds \$ _____
Governmental \$ _____
Other Institutional \$ _____

B. Provide the number of accounts whose portfolios consist of bond proceeds.

Provide data on account/asset growth and other performance statistics over the past three years. Indicate the number of accounts gained and the number of accounts lost.

List your five largest clients. Identify those that are exclusively retirement fund relationships and/or those that are operating fund relationships along with contact names for each.

IV. Philosophy/Approach

Please describe your firm's investment philosophy for both general funds and for bond proceeds.

Briefly describe your firm's investment management philosophy for public clients, including your firm's philosophy of average duration, maturity, and yield.

Please describe the maturity concentration, quality and sectors of current accounts similar to the Consortiums.

What are the primary strategies for adding value to portfolios (e.g., market timing, credit research, trading)?

Describe the process you would recommend for establishing the investment objectives and constraints for this account.

Do you have or would you recommend there be policy restrictions with respect to maturity, sector, quality and/or coupon?

Describe your firm's trading methodology.

Provide your list of approved brokers/dealers; how are brokers/dealers monitored?

Describe your firm's decision-making process in terms of structure (i.e. committees, membership, meeting frequency, responsibilities, integration of research ideas and portfolio management.)

Describe your research capabilities as they would pertain to the Consortium portfolio.

What technical analysis (if any) do you use?

Describe your capabilities for tracking and reporting arbitrage in compliance with the Tax Act of 1986, including computer systems and experience.

V. Portfolio Management

- A. Are portfolio's managed by teams or one individual?
- B. What is the average number of accounts handled per manager?
- C. Primary client contact is delegated to which of your firm's professionals?
- D. How frequently are you willing to meet with us?
- E. Describe procedures used to ensure that portfolios comply with client investment objectives, policies and bond resolutions.

VI. Fees

- A. Please include a copy of your firm's fee schedule.
 - 1. Please indicate whether they include custodial fees.
 - 2. Is there a minimum annual fee?
- B. Please provide a statement of fees for any additional services.
- C. Are fees charged when there is no activity in the account?

VII. References

- A. Please provide three references, including length of time managing their assets, client name, address and phone number.

VIII. Performance Reporting

- A. Please describe how you typically report performance.
- B. Please provide performance history, net of fees, for the past five years, for current accounts comprised of securities with maturities, quality and sectors similar to the Consortiums.
- C. Are you willing to develop reporting procedures in line with our needs and objectives (i.e., monthly, so as to conform with State reporting requirements to management and governing bodies)?
- D. Are confirmation of investment transactions sent directly by the broker/dealer to the client?

Please send (10) copies of your proposal to:

Dan Carlin
Assistant Superintendent
Dutchess County BOCES
5 BOCES Road
Poughkeepsie, NY 12601

by 2:00 p.m., Thursday, October 14, 2004.

The Consortiums reserve the right to reject any and all proposals.