



**Louisiana
Asset
Management
Pool, Inc.**

**REQUEST FOR PROPOSALS
FOR
SAFEKEEPING & CUSTODIAL SERVICES
FOR THE
LOUISIANA ASSET MANAGEMENT POOL**

Issued by:

**Louisiana Asset Management Pool, Inc.
The Honorable John Kennedy, President**

Issued:

April 16, 2012

TABLE OF CONTENTS

TOPIC	Page
Timetable for Selection Process.....	2
I. Information about the LAMP	2
II. Investment Management Services	3
III. Fund Accounting/Transfer Agency	3
IV. Procedures for Submission of Proposal.....	6
V. Minimum Requirements	9
VI. Services Required.....	10
VII. Information Requested	12
VIII. Compensation and Fees	14
IX. Evaluation Criteria.....	15

TIMETABLE FOR SELECTION PROCESS

ACTION	2012 DATES
ISSUE RFP	Monday, April 16, 2012
DEADLINE FOR WRITTEN INQUIRIES	Monday, May 7, 2012
DISTRIBUTION OF RESPONSE TO INQUIRIES	Monday, May 14, 2012
DEADLINE FOR RESPONSE	Thursday, May 31, 2012 by 10:30 a.m. CST
ANNOUNCEMENT OF FINALISTS, IF APPLICABLE	Friday, June 15, 2012
ORAL INTERVIEWS OF FINALISTS, IF HELD	Wednesday, June 20, 2012
SELECTION ANNOUNCED	Wednesday, June 20, 2012

I. INFORMATION ABOUT THE LOUISIANA ASSET MANAGEMENT POOL

The Louisiana Asset Management Pool, (the "LAMP"), is a type of “pass through” investment vehicle, the use of which is available only to Louisiana local governmental entities and political subdivisions (such as police juries, municipal governments, school boards and others). The LAMP is administered by Louisiana Asset Management Pool, Inc., a Louisiana nonprofit corporation (the "Corporation"). (If further information about the Corporation is desired, copies of the Corporation's articles of incorporation and bylaws are available upon request.) The LAMP provides to its members with the opportunity to pool or aggregate funds that are available for investment in an arrangement that is intended to ensure:

- Security of funds
- Liquidity
- Higher yield potential
- Convenience
- Professional management
- Diversification

- Accounting (which may include arbitrage rebate accounting).

The LAMP has achieved a balance of \$2 billion plus and currently has in excess of 625 governmental participants.

This Request for Proposal ("RFP") is issued in accordance with the Procurement Guidelines adopted by the Corporation. The Corporation proposes to appoint a financial institution to provide certain custodial, trading, and safekeeping services for the assets held by LAMP.

The successful proposer must demonstrate an ability to execute institutional trades on behalf of its clients pursuant to the directions of investment managers.

II. INVESTMENT MANAGEMENT SERVICES

American Beacon Advisors serves as investment manager for the LAMP. The investment advisor provides all investment management services consistent with the provisions of La. R.S. 33:2955.

III. FUND ACCOUNTING/TRANSFER AGENCY

Cutwater Asset Management formerly MBIA Municipal Investors Services Corporation (MBIA-MISC) provides by contract to LAMP, all participant record keeping services and fund accounting for the pool, including, but not limited to the following:

A. Participant Transactions

1. Processes deposits and withdrawal orders.
2. Sets up Account information, including address, dividend option, taxpayer identification numbers and wire instructions.
3. Issues periodic statements for Participants.
4. Processes transfers and exchanges.
5. Processes dividend payments. Including the purchase of new units through dividend reinvestment.

B. Participant Information Services

1. Makes information available to participant servicing unit and other remote access units regarding trade date, account value, current holdings, yields, and dividend information.

2. Provides participants with access to account information via toll-free telephone numbers, and other remote access methods.
3. Produces detailed history of transactions through duplicate or special order statements upon request.
4. Provides mailing labels for distribution of financial reports, prospectuses or other offering documents, proxy statements or marketing material to current Participants.
5. Allocates and records income (on a daily basis) earned by each Account.
6. Posts earnings (on a monthly basis) of each account.
7. Provides monthly sales reporting to LAMP personnel.

C. Account Maintenance

1. Maintains all participant records for each account.
2. Issues statements on scheduled cycle, providing duplicate second and third party copies if required. At a minimum, such statements include:
 - a. Sub-account name and number.
 - b. Transaction date(s).
 - c. Transaction type(s).
 - d. Dollar amount of transactions.
 - e. Resulting account value.
 - f. Interest reinvested.
 - g. Month-to-month interest.
 - h. Year-to-date interest.
 - i. Monthly yield information.
3. Records account information changes.

D. Services as Fund Accountant

1. Maintenance of Books and Records. Cutwater Asset Management maintains the following books and records of the Pool:
 - a. Journals containing an itemized daily record in detail of all purchases and sales of securities. All receipts and disbursements of cash and all other debits and credits;

- b. General and auxiliary ledgers reflecting all asset, liability, reserve, capital, income and expense accounts; including interest accrued and interest received; and
 - c. A monthly trial balance of all ledger accounts.
- 2. Performs Daily Accounting Services. In addition to the maintenance of the books and records specified above, Cutwater Asset Management also performs daily the following accounting services:
 - a. Calculates the net asset value per unit.
 - b. Verifies and reconciles with the Custodian for the Pool all daily trade activity;
 - c. Calculates the dividend and capital gain distribution, if any;
 - d. Computes, as appropriate, the Pool's:
 - Net income and capital gains
 - Dividends payable
 - Dividend factors
 - 7-day yields
 - 7-day effective yields
 - 30-day yields
 - Average weighted maturity;
- 3. Provides the following reports:
 - a. A current security position report;
 - b. A summary report of transactions and pending maturities (including the principal, cost, and accrued interest on each portfolio security in maturity date order); and
 - c. A current cash position report (including cash available from portfolio sales and maturities and sales of the Pool's units less cash needed for redemption and settlement of portfolio purchases);
 - d. A Statement of investments for the Pool's portfolios;
- 4. Obtains security prices from independent pricing services, or if price quotes from such services are unavailable, obtain security prices from LAMP, or its designee.

5. Reviews daily the net asset value calculation and dividend factor (if any) for each participant account prior to release to the Pool's transfer agent or any sub-transfer agent, check and confirm the net asset values and dividend factors for reasonableness and deviations;
6. Amortizes premiums and accrete discounts on securities purchased at a price other than face value, if requested by LAMP;
7. Accrues expenses of the Pool according to instructions received from LAMP.
8. Determines the outstanding receivables and payable for all:
 - a. Securities trades
 - b. Share transactions
 - c. Income and expense accounts
9. Provides accounting reports in connection with the Pool's regular annual audit any and other audits and examinations by duly authorized regulatory agencies;
10. Reports the daily market price of securities, with comparison to the amortized cost basis; and
11. Posts portfolio transactions to appropriate categories.

IV. PROCEDURES FOR SUBMISSION OF PROPOSALS FOR SAFEKEEPING & CUSTODIAL SERVICES

A. Governing Procedures

The process of submitting proposals in response to this RFP shall be governed by the timetable on page 1. Any institution that receives a copy of the RFP but decides not to respond with a proposal is requested to send written notice to the Corporation at the address listed in section IV (G).

B. Joint Proposals

Several proposers may join together for purposes of providing the services described hereunder. In such event, a lead proposer shall be designated to represent all such proposers. Any joint proposal shall clearly identify each proposer. Any joint proposal must include all information and satisfy all criteria of the RFP, when viewed in combination.

C. Financial Responsibility

Proposers, by making proposals in response to this RFP, signify that they understand and agree that they bear sole financial responsibility for any costs incurred in responding to this RFP and in complying with the requirements contained herein or in the proposal process.

D. Preparation of Proposal

Each proposal shall be prepared simply and economically, avoiding the use of elaborate promotional materials beyond those sufficient to provide a complete, accurate and reliable presentation.

E. Packaging of Proposal

Except for proposals received by electronic transmission, the proposal and multiple copies must be enclosed in a sealed envelope, plainly marked "LAMP Safekeeping & Custodial Proposal" name of the proposers), address, telephone number, and name of contact person.

F. Number of Proposal Copies

Five (5) copies of the proposal should be submitted to the Corporation in care of Krissy Orgeron, CAO and addressed to The Honorable John Kennedy, President, LAMP, Inc. In the case of proposals received by electronic transmission, the corporation will make the necessary copies.

G. Inquiries and Submission of Proposals

Inquiries regarding this RFP shall be in written form only and must be mailed, sent by overnight courier, faxed or emailed and received by 10:30 a.m. Central Standard Time (CST) on the date listed in the timetable on page one (1). All inquiries must include contact person, address and fax number.

All proposals must be delivered on or before the date listed on page one (1) of this RFP by 10:30 a.m. Central Standard Time (CST). Proposals received after the above date and time may not be considered. The Corporation is under no obligation to return proposals.

Questions about this RFP shall be directed to and proposals shall be sent to:

Krissy Orgeron, Chief Administrative Officer
Louisiana Asset Management Pool, Inc.
228 St. Charles Avenue, Suite 1123
New Orleans, Louisiana 70130
Telephone (504) 525-5267 Fax (504) 525-5161 korgeron@lamppool.com

H. Effective Period of Proposals

All proposals must state the period for which the proposal shall remain in effect. Such period shall not be less than 120 days from the proposal due date.

I. Proposal Interpretations and Addenda

Any change to or interpretation of the RFP by the Corporation will be sent to each firm or individual to whom an RFP has been sent and any such changes or interpretations shall become a part of the RFP for incorporation into any contract awarded pursuant to the RFP.

J. Right of Rejection by the Corporation

The Corporation reserves the right to reject any and all proposals, and may be expected to reject automatically all or any that do not contain all elements and information requested in this RFP.

K. Provision for Additional Information

The Corporation reserves the right to request additional information from any or all proposers to assist it in its evaluation process.

L. Contract and Contract Term

The Corporation intends to enter into a written contract with the winning proposer in a form drafted by counsel to the Corporation on the terms and conditions contained in this RFP and otherwise satisfactory to the Corporation. If the proposer to whom the contract is offered does not execute the contract within ten (10) business days of receiving notice as the winning proposer, the Corporation may declare the proposer to be disqualified, and may proceed to contract for the services which are the subject of this RFP with the next ranked proposer.

The Term of the contract shall be for an initial period of three (3) years with the option to renew for two (2) consecutive one (1) year periods at the discretion of the President. In no event shall the contract extend beyond five (5) years. The contract may be canceled without cause by either party after giving proper notice. The Custodian will be required to give the Corporation 120 days notice of cancellation. The Corporation will be required to give the custodian 60 days notice.

M. Records

The successful proposer shall provide access to its records pertaining to the LAMP, during normal business hours, to the Corporation, authorized agents of the Corporation, the Louisiana Legislative Auditor, the Louisiana Department of Justice and federal or local governmental auditors, for the purpose of examining records pertaining to the LAMP. The successful proposer will agree to cooperate in any proceedings involving the Corporation or the LAMP pertaining to the successful proposer. During and after the conclusion of the contract awarded hereunder, all records pertaining to the LAMP shall be the property of the Corporation.

N. Administration and Reporting

The LAMP is administered by the Corporation. The successful proposer will make reports in person to the Corporation, its board or its agent from time to time or as deemed necessary.

O. Obligation of the Corporation

This RFP and any contract awarded hereunder, to the extent either or both create liabilities or obligations, are solely the responsibility of the Corporation and is payable solely out of the income, revenues, and receipts of the Corporation. In no event shall the contract accrue to create an obligation, whether general, special, debt, liability or otherwise of the office of the Treasurer, the State of Louisiana or any municipality, political subdivision or governmental unit thereof. Similarly, no contract awarded hereunder shall constitute or give rise to a pecuniary liability of the State of Louisiana or any municipality, political subdivision or governmental unit thereof. Neither the general credit nor the taxing power of the State of Louisiana or of any municipality, political subdivision or governmental unit thereof is pledged as security for the performance of the contract. Neither the Corporation nor the LAMP has taxing powers.

V. MINIMUM REQUIREMENTS FOR SAFEKEEPING AND CUSTODIAL SERVICES

At the time of submission of the proposal, the financial institution must certify that it is capable of performing all tasks and activities associated with the requirements of the RFP. The following minimum criteria must be met:

- A.** The proposer (or each proposer, in the case of a joint proposal) must currently have and maintain, throughout the term of the contract, a minimum of \$500 million in assets.

- B.** The proposer (or each proposer, in the case of a joint proposal) must currently be and remain, throughout the term of the contract, a designated fiscal agent of the State of Louisiana, in accordance with LSA-R.S. 49:317.
- C.** The proposer (or the each proposer, in the case of a joint proposal) must currently have and maintain, throughout the term of the contract, a minimum of \$1 billion in assets under custody in the proposer's trust and/or safekeeping departments, excluding the assets of LAMP).
- D.** The proposer (or each proposer, in the case of a joint proposal) must currently be and remain, throughout the term of the contract, a member of, or have access to the Federal Reserve System with full wire transfer capabilities in order to send requests to the United States Government, receive funds, transfer funds to other banks as directed by the pool's investment managers.

The proposer (or all proposers considered together, if a joint proposal) should have a state-wide presence or should be able to demonstrate the ability to facilitate the state-wide activities of the LAMP.

VI. SERVICES REQUIRED OF THE SAFEKEEPING AND CUSTODIAL BANK

The custodial arrangement was established as a part of the ongoing investment activities of the LAMP and is generally intended to facilitate the collection of funds pending the acquisition of securities, the safekeeping of securities, the settlement of transactions, and the remission of funds to depository institutions. The following is a list of the specific services required to be provided by the successful proposer for safekeeping and custodial services:

- A.** Safekeeping and settlement of securities, both book entry and physical entry, subject to the direction of its investment advisor(s). The successful proposer can expect to handle multiple transactions daily and will be expected to perform trades, including trades for cash, and report to the investment manager, either via facsimile or by electro-sharing information on a same-day basis.
- B.** Pending investment, the successful proposer will be required to provide certain cash management services on behalf of the LAMP and its members. It is anticipated that deposits from local depositories will be accepted into an interest bearing checking account as follows:
 - a. By federal funds wire transfer,
 - b. By deposit of checks by mail, through a lock-box arrangement,
 - c. By deposit of checks at a local depository bank, or
 - d. By automated clearing-house.

It is anticipated that redemptions to local depositories will be made as follows:

- a. By Federal funds wire transfer (on a same-day basis), or
 - b. By automated clearing-house.
- C.** The successful proposer must have the ability to complete all deposits and redemptions received on or before noon Eastern Standard Time (EST) on a same-day basis. The investment manager will require a daily reporting of deposit and redemption information, either via facsimile or by electronic sharing of information.
- Subject to the direction of LAMP, Inc., make payments to vendors of LAMP, Inc., or the LAMP and establish one or more interest bearing accounts to facilitate such payment.
- D.** Tax reporting and such other reporting support as may be requested, from time to time, by LAMP, Inc.
- E.** Monthly (or more frequently) reporting of holdings and transactions of the LAMP either via facsimile or by electronic sharing of information.
- F.** The custodian is expected to smoothly interface and interact with the Corporation's designated transfer agent, Cutwater Asset Management and its investment manager, American Beacon Advisors, and the pool's investment consultant, UBS Financial Services Inc.

VII. INFORMATION REQUESTED

Please prepare your response in the following order to facilitate comparisons between proposers.

A. Firm Information

- a. Provide institution's name and business address for each proposer.
- b. Provide a description of how your institution is organized to accomplish the services requested, and how the required services will be performed or, in the case of joint proposals, a description of how the various proposers will operate to provide the services requested.
- c. Provide the 2009, 2010 and 2011 annual audited financial statements (if applicable) and the first and second quarter of 2012 call report of your financial institution or for all financial institutions in the case of a joint proposal. Provide for the same periods, except for the call report, the holding company 10-K reports.

B. Experience as a Safekeeping Custodian (provide for each proposer)

- a. Provide a list of institutional clients and contact information (name, title, company, name, address and phone number) which you currently serve. Include the length of the relationship and asset size for each of the client listed. Also include all public clients for whom service has been performed.
- b. Provide a list of safekeeping and custody clients with respect to which your institution holds greater than \$50 million in assets as of 12/31/11 and for each calendar year:

	2011	2010	2009	2008	2007
Total # of custodial clients					
# of custodial clients added					
# of custodial clients lost					
# of custodial clients > \$100 million					
# of custodial clients < \$100 million					
Total custodial assets (in millions)					

	2011	2010	2009	2008	2007
Total # of public fund custodial clients					
Total public fund custodial assets (in millions)					
Total # of custodial personnel					
Custodial personnel added					
Custodial personnel lost					

- d. Has your institution lost any public funds client(s) in the last three (3) years? If so, please state the reason why, and the name(s) of the the contact person of the account relationship.

C. Personnel

- a. Provide the names and resumes of all persons who will be assigned to perform the requested services to the LAMP as well as the anticipated extent of their assignment (i.e., part-time or full-time and for what length of time). The Corporation reserves the right to approve the personnel assigned to the LAMP.
- b. Indicate whether your personnel are active in public-related professional associations in the State of Louisiana.

D. Service Information

- a. Describe your institution's system of registration and custody of assets, including depositories used.
- b. Does your institution carry errors and omissions insurance to protect against the loss of assets (provide for each proposer)? (Please provide coverage information.)
- c. How does your institution monitor investment activity for compliance with the client's investment policies?
- d. Outline your institution's plan to implement the requirements of this proposal given the guidelines of this RFP.

E. Sample Contract

Please attach a copy of your institution's sample custodial agreement.

VIII. COMPENSATION AND FEES

Each proposal must be accompanied by the proposer's (or the lead proposer in the case of a joint proposal) published standard fee schedule for similar custodial accounts. Each proposer must also fill out the schedule of fees set out below applicable only to the LAMP, computed as a basis point fee expressed as a percentage of average total assets under custody.

The LAMP will not pay "per transaction" costs or monthly account fees of any kind. All costs, charges and expenses to perform the services outlined in this RFP must be included in the basis point charge below.

	<u>Asset Base</u>	<u>Basis Point Fee*</u>
1.	\$1 billion	
2.	\$1.5 billion	
3.	\$2 billion and above	

***All fees and expenses necessary to perform the services required of the program described in this RFP must be included in the basis point fee.**

In addition to completing the Fee Table above please provide a fee estimate/calculation based on \$1 billion in assets, \$1.5 billion and \$2 billion.

The Corporation reserves the right to further negotiate any fee schedule or the manner of computing fees.

IX. EVALUATION CRITERIA

The mission of this Request for Proposal is to identify one or more financial institutions, independent of any governmental agency, to provide safekeeping, trading, and custodial services for the LAMP. The institution or institutions that best meet the requirements of the proposed pool will be selected at the discretion of the Corporation.

The evaluation criteria and the weight assigned to each are as follows:

- A. Cost of requested services (30%).
- B. Technical capability and compatibility of services (30%).
- C. Qualifications, financial strength and experience of the institution as a whole (or all institutions in the case of a form proposal) in the performance of safekeeping and custodial services (30%).

- D.** Qualifications and experience of assigned personnel. This will be based on the resumes of the individuals who will oversee and perform the services required in the proposal (10%).

Proposals meeting the requirements set forth in this document will be evaluated by assigned LAMP, Inc. staff and our investment counsel under the supervision of the Corporation's President. If needed, finalists' oral interviews will be conducted by our investment counsel, LAMP, Inc. Board of Directors, Executive Committee and staff.

However if no finalists are announced, the President shall announce a selection which selection shall not be operative until the next regularly scheduled LAMP, Inc. Executive Committee and Board of Directors meeting. The Executive Committee and Board of Directors may ratify or reject the selection.