



STATE OF ARKANSAS  
**Department of Finance  
and Administration**

**OFFICE OF THE DIRECTOR**  
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<http://www.state.ar.us/dfa>

June 19, 2013

Senator Paul Bookout, Co-Chair  
Representative John Charles Edwards, Co-Chair  
Arkansas Legislative Council  
State Capitol Building, Room 315  
Little Rock, AR 72201

RE: Suspension of the Rules Request

Dear Senator Bookout and Representative Edwards:

I respectfully request a suspension of the rules so that the full Legislative Council may perform the required review process for the attached professional services contract at the June 21, 2013 meeting. This contract with Hewitt Ennis Knupp, investment consultants, is to review the Treasurer of State's portfolio and to provide recommendations for improvement of the operational policies and procedures of the Office.

This expedited review is necessary to provide timely information and guidance to the Arkansas State Board of Finance to assist the Treasurer of State. Your favorable consideration and review of this contract is appreciated.

Should you have any questions or require additional information, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard A. Weiss".

Richard A. Weiss  
Director

**SUMMARY SCHEDULE OF STATE AGENCY CONTRACTS  
FOR ARKANSAS LEGISLATIVE COUNCIL REVIEW  
AS REQUIRED BY ARKANSAS CODE 19-11-1006**

***Out-of-State Contracts***

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<b>1. Agency:</b>	Board of Finance	<b>Contractor:</b>	Hewitt Ennis Knupp	<b>State:</b>	IL
		<b>Location:</b>	Chicago		
<b>Total Authorized:</b>	\$0.00	<b>Org. Term:</b>	07/01/2013 06/30/2014	<b>Procurement:</b>	RFQ
<b>Total After Review:</b>	\$215,000.00	<b>Funding:</b>	State - 100%		
<b>Total Projected:</b>	\$215,000.00			<b>Contract Number:</b>	4600029464
<u>Org/Amt:</u>	<u>Amount</u>	<u>Paid To Date</u>	<u>Objective:</u>		<u>New Exp Date</u>
Original:	215,000.00		To complete a comprehensive analysis of Treasury investments. To provide recommendations to the Board for new investment policies, practices and possible statutory revisions to improve the investment of Treasury funds.		



# STATE OF ARKANSAS

## PROFESSIONAL CONSULTANT SERVICES CONTRACT

CONTRACT #	4600029464	FEDERAL I.D. #	36-3109431
VENDOR #	100075967	MINORITY VENDOR	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>

### 1. PROCUREMENT:

Check ONE appropriate box below for the method of procurement for this contract:

- ☐ ABA Criteria      ☐ Request for Proposal      ☐ Competitive Bid      X Request for Qualifications  
☐ Intergovernmental      ☐ Emergency  
☐ Sole Source by Justification (*Justification must be attached*)      ☐ Sole Source by Intent to Award  
☐ Sole Source by Law - Act # \_\_\_\_\_ or Statute #: \_\_\_\_\_

### 2. TERM DATES:

The term of this agreement shall begin on 07/01/2013 and shall end on 07/01/2014.  
(mm/dd/yyyy) (mm/dd/yyyy)

### 3. CONTRACTING PARTIES:

State of Arkansas is hereinafter referred to as the agency and contractor is herein after referred to as the Vendor.

AGENCY NUMBER & NAME	0072 /0069 Board of Finance and Treasurer of State	<input type="checkbox"/> Service Bureau
VENDOR NAME	Hewitt Ennis Knupp	
VENDOR ADDRESS	10 S. Riverside Plaza, Suite 1600, Chicago, IL 60606	
TRACKING # 1	SP130160	TRACKING # 2

### 4A. PROJECTED TOTAL CONTRACT COST:

Projected total cost of entire project if all available extensions of this contract are completed (up to the date anticipated and stated in Section 13) \$ 215,000

### 4B. CALCULATIONS OF COMPENSATION:

For work to be accomplished under this agreement, the Vendor agrees to provide the personnel at the rates scheduled for each level of consulting personnel as listed herein. Calculations of compensation and reimbursable expenses shall only be listed in this section. If additional space is required, a continuation sheet may be used as an attachment.

LEVEL OF PERSONNEL	NUMBER	COMPENSATION RATE	TOTAL FOR LEVEL

Total compensation exclusive of expense reimbursement \$ 215,000

REIMBURSABLE EXPENSES ITEM (Specify)	ESTIMATED RATE OF REIMB.	TOTAL

Total reimbursable expenses \$ 0

Total compensation inclusive of expense reimbursement \$ 215,000

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Contract # : \_\_\_\_\_

**5. SOURCE OF FUNDS:**

Complete appropriate box(es) below to total 100% of the funding in this contract. You may use an attachment if needed.

Fund Source	Identify Source of Funds*	Fund	Fund Center	Amount of Funding	% of Total Contract Cost
Federal Funds				\$	
State Funds**		HSC6900	007	\$215,000	100
Cash Funds				\$	
Trust Funds				\$	
Other Funds				\$	
TOTALS				\$215,000	100%

\* **MUST BE SPECIFIC** (i.e. fees, tuition, agricultural sales, bond proceeds, donations, etc.)

\*\* "State Funds" is defined as and deemed State General Revenue Dollars. If other state funds are being used such as tobacco funds, general improvement funds, etc., these should be noted. Special revenue funds from taxes or fees generated for the agencies should be shown as "Other" and the actual source of the funds should be clarified in the "Identify Source of Funds."

**6. RENDERING OF COMPENSATION:**

The method(s) of rendering compensation and/or evaluation of satisfactory achievement toward attainment of the agreement listed herein is as follows, or in attachment no. \_\_\_\_\_ to this agreement.

Upon completion and submission of the report and acceptance by the Board of Finance.

**7. OBJECTIVES AND SCOPE:**

State description of services, objectives, and scope to be provided. (DO NOT USE "SEE ATTACHED")

Complete a comprehensive analysis of Treasury investments.

Provide recommendations to the Board for new investment policies, practices and possible statutory revisions to improve the investment of Treasury funds.

**8. PERFORMANCE STANDARDS:**

List Performance standards for the term of the contract. (If necessary, use attachments)

A. After completion of the Treasury fund analysis, the vendor **shall** draw up a thorough and comprehensive set of recommendations for alternative investment policies and strategies derived from the analysis. The recommendations **must** be provided to the Board in both hard copy and electronic formats, as specified by the Board.

B. The vendor **must** provide justification and supporting data for all recommendations of amendments or

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modifications to the Treasury's portfolio structure.

C. The recommendations **must** set forth a realistic investment strategy implementation timeline, including appropriate benchmarks for measuring performance, as well as the advantages and disadvantages to increased risk within the portfolio.

D. After the Board's review of the recommendations, if the Board so requests, the vendor **must** make a presentation of the recommendations at a Board meeting or other requested venue to further discuss the recommendations with the Board.

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**9. ATTACHMENTS:**

List ALL attachments to this contract by attachment number:

1. Vendor EEO policy
2. Contract Grant and Disclosure Form
3. Illegal Immigrant Certification

**10. CERTIFICATION OF VENDOR**

- A. "I, P. J. Kelly Partner  
(Vendor) (Title)  
certify under penalty of perjury that, to the best of my knowledge and belief, no regular full-time or part-time employee of any State agency of the State of Arkansas will receive any personal, direct or indirect monetary benefits which would be in violation of the law as a result of the execution of this contract." Where the Vendor is a widely-held public corporation, the term 'direct or indirect monetary benefits' "shall not apply to any regular corporate dividends paid to a stockholder of said corporation who is also a State employee and who owns less than ten percent (10%) of the total outstanding stock of the contracting corporation."
- B. List any other contracts or subcontracts you have with any other state government entities. (Not applicable to contracts between Arkansas state agencies) (If no contracts or subcontracts, please put "N/A" or "None")  
Arkansas Teacher Retirement System
- C. Are you currently engaged in any legal controversies with any state agencies or represent any clients engaged in any controversy with any Arkansas state agency? (If no controversies, please put "N/A" or "None")  
N/A

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- D. The Vendor agrees to list below, or on an attachment hereto, names, addresses, and relationship of those persons who will be supplying services to the state agency at the time of the execution of the contract. If the names are not known at the time of the execution of the contract, the Vendor shall submit the names along with the other information as they become known. Such persons shall, for all purposes, be employees or independent contractors operating under the control of the Vendor (sub-contractors), and nothing herein shall be construed to create an employment relationship between the agencies and the persons listed below.

NAME	RELATIONSHIP
PJ Kelly	Consultant
Laurel Nicholson	Consultant

- E. The agency shall exercise no managerial responsibilities over the Vendor or his employees. In carrying out this contract, it is expressly agreed that there is no employment relationship between the contracting parties.

11. **DISCLOSURE REQUIRED BY EXECUTIVE ORDER 98-04:**

Any contract or amendment to a contract executed by an agency which exceeds \$25,000 shall require the Vendor to disclose information as required under the terms of Executive Order 98-04 and the Regulations pursuant thereto. The Vendor shall also require the subcontractor to disclose the same information. The Contract and Grant Disclosure and Certification Form (Form PCS-D attachment II-10.3) shall be used for this purpose.

Contracts with another government entity such as a state agency, public education institution, federal government entity, or body of a local government are exempt from disclosure requirements.

The failure of any person or entity to disclose as required under any term of Executive Order 98-04, or the violation of any rule, regulation or policy promulgated by the Department of Finance and Administration pursuant to this Order, shall be considered a material breach of the terms of the contract, lease, purchase agreement, or grant and shall subject the party failing to disclose, or in violation, to all legal remedies available to the Agency under the provisions of existing law.

12. **NON-APPROPRIATION CLAUSE:**

"In the event the State of Arkansas fails to appropriate funds or make monies available for any biennial period covered by the term of this contract for the services to be provided by the Vendor, this contract shall be terminated on the last day of the last biennial period for which funds were appropriated or monies made available for such purposes.

This provision shall not be construed to abridge any other right of termination the agency may have."

13. **TERMS:**

The term of this agreement begins on the date in SECTION 2 and will end on the date in SECTION 2, and/or as agreed to separately in writing by both parties.

This contract may be extended until 06/30/2020 (mm/dd/yyyy), in accordance with the terms stated in the Procurement, by written mutual agreement of both parties and subject to: approval of the Arkansas Department of Finance and Administration/Director of Office of State Procurement, appropriation of necessary funding, and review by any necessary state or federal authority.

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Amendments to contracts will require review by Legislative Council or Joint Budget Committee prior to approval by the Department of Finance and Administration/Director of Office of State Procurement if the original contract was reviewed by Legislative Council or Joint Budget Committee and the amendment increases the dollar amount or involves major changes in the objectives and scope of the contract.

Amendments (to contracts that originally did not require review by Legislative Council or Joint Budget Committee) which cause the total compensation to exceed the sum of \$25,000, shall require review by the Legislative Council or Joint Budget Committee, prior to the approval of the Department of Finance and Administration/Director of Office of State Procurement and before the execution date of the amendment.

This contract may be terminated by either party upon 30 day written notice, unless otherwise agreed by both parties.

**14. AUTHORITY:**

- A. This contract shall be governed by the Laws of the State of Arkansas as interpreted by the Attorney General of the State of Arkansas and shall be in accordance with the intent of Arkansas Code Annotated §19-11-1001 et seq.
- B. Any legislation that may be enacted subsequent to the date of this agreement, which may cause all or any part of the agreement to be in conflict with the laws of the State of Arkansas, will be given proper consideration if and when this contract is renewed or extended; the contract will be altered to comply with the then applicable laws.

**15. AGENCY CONTACTS FOR QUESTION(S) REGARDING THIS CONTRACT:**

**Contact #1 – Agency Representative submitting/tracking this contract**

<u>Richard A. Weiss</u>	<u>Director, Department of Finance and Administration</u>
(Name)	(Title)
<u>501-682-2242</u>	<u>richard.weiss@dfa.arkansas.gov</u>
(Telephone #)	(Email)

**Contact #2 – Agency Representative with knowledge of this project (for general questions and responses)**

<u>Debbie Rodgers</u>	<u>Chief Deputy Treasurer</u>
(Name)	(Title)
<u>501-682-9100</u>	<u>drogers@artreasury.gov</u>
(Telephone #)	(Email)

**Contact #3 – Agency Representative Director or Critical Contact (for time sensitive questions and responses)**

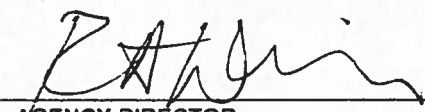
<u>Autumn Sanson</u>	<u>Chief Investment Officer</u>
(Name)	(Title)
<u>501-682-1291</u>	<u>asanson@artreasury.gov</u>
(Telephone #)	(Email)

- 16. AGENCY SIGNATURE CERTIFIES NO OBLIGATIONS WILL BE INCURRED BY A STATE AGENCY UNLESS SUFFICIENT FUNDS ARE AVAILABLE TO PAY THE OBLIGATIONS WHEN THEY BECOME DUE.**

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Contract # : \_\_\_\_\_

17. SIGNATURES:

<u>DE 7+</u>	<u>6/19/2013</u>	<u></u>	
VENDOR	DATE	AGENCY DIRECTOR	DATE
<u>CAO</u>		<u>Dir., D.F.A.</u>	
TITLE		TITLE	
<u>10 S. Riverside Plaza, Suite 1600, Chicago, IL 60606</u>			
ADDRESS		ADDRESS	

APPROVED: \_\_\_\_\_

DEPARTMENT OF FINANCE AND ADMINISTRATION

DATE



[Home](#) [Submissions](#)[Welcome Elizabeth Mentgen - Logout](#)**DFA Illegal Immigrant Contractor Disclosure Certification View Submission Details****Navigation :** [View Submissions >> View Submission Details](#)[Print Disclosure Submission](#)

<b>Vendor:</b>	Hewitt EnnisKnupp, Inc
<b>Contract Type:</b>	Professional Consulting Services
<b>Bid Number:</b>	SP-13-0160
<b>Disclosure Statement:</b>	I, certify that we/I do not employ or contract with an illegal immigrant. Answer: <b>yes</b>
<b>Contact E-mail:</b>	david.testore@aonhewitt.com
<b>Agency Name:</b>	Department of Finance and Administration
<b>Submitted At:</b>	06-19-13

# Equal Employment Opportunity Policy

At Aon, we recognize that to excel as a business we must continue to hire the best talent and secure the full participation and commitment of all employees. In keeping with this conviction, it is our policy and intent to hire and provide all staff with the opportunity to grow, develop and contribute fully to our collective success without regard to race, color, religion, creed, sex, sexual orientation, gender identity, national origin, age, disability, veteran, marital, or domestic partner status, citizenship or any other status or characteristic covered by federal, state or local law.

Aon is fully committed to the maximum utilization of employees' abilities and to the principles of equal employment opportunity. The opportunities afforded throughout the Company are available equally to all. Applicants and employees are evaluated on the basis of job qualifications—not race, color, religion, creed, sex, sexual orientation, gender identity, national origin, age, disability, veteran, marital, or domestic partner status, citizenship or any other status or characteristic covered by federal, state or local law. Further, Aon provides reasonable accommodations to the known limitations of otherwise qualified individuals with disabilities unless doing so would result in an undue hardship.

## **Policy Implementation**

- Equal employment opportunity takes place in all employment practices: hiring, promotion, demotion, transfer, recruitment, termination, rates of pay or other forms of compensation, and selection for training. Every employee has access to Company-sponsored educational, training and recreational activities.
- The Company endeavors to provide every employee with a working environment free from harassment. Individually and collectively, we share the responsibility for understanding the great importance of a respectful work environment, and for assuring that every employee is welcomed, accepted and rewarded according to his or her contribution to the attainment of our goals and objectives.
- In addition, unlawful harassment, intimidation, threats, coercion, discrimination or retaliation in any other form against anyone is strictly prohibited for: (1) making a good faith internal complaint of any conduct, act or practice violating the Company's EEO Policy; (2) filing a complaint allowed by any equal employment opportunity law or regulation ("EEO laws"); (3) participating in an investigation or any other activity undertaken by the Company or any governmental agency related to compliance with our EEO policy or any EEO law; (4) opposing in good faith any act or practice that violates any EEO law; or (5) exercising any right under any EEO law.
- We know that positive, results-oriented action to advance equal employment opportunity serves the best interests of the Company, its employees and the communities in which it operates. Towards this end, the Director of Corporate Human Resources serves as Aon's Equal Employment Opportunity Compliance Officer with overall responsibility for monitoring program effectiveness and assuring compliance with this policy. Managers at all levels are responsible for assuring full compliance with this policy in their respective areas. Each employee is responsible for supporting equal opportunity, assisting the Company in meeting its objectives in this area, and assuring that their own conduct conforms to the Company's commitment to equal employment opportunity.
- If an employee has any questions about the Company's policy on equal employment opportunity, the Company encourages the employee to talk to his or her Supervisor, Department Head, local Human Resources Representative, the Corporate Human Resources Department or the Law Division. Any conduct or action inconsistent with the Company's commitment to equal employment opportunity should be reported by following the Company's Problem Solving Procedure. Any supervisor or manager who receives such a complaint (whether formal or informal) must report the complaint to a local Human Resources Representative or the Corporate Human Resources Department.

## **Affirmative Action Policy**

Aon is committed to the principles of affirmative action. Each year, the Company develops and implements affirmative action programs at each of its facilities. These action plans are designed to ensure equal opportunity and to promote the employment and advancement of women, minorities, persons with disabilities and qualified covered veterans in accordance with our obligations as a contractor to the United States federal government and State and local governments.

## CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM

Failure to complete all of the following information may result in a delay in obtaining a contract, lease, purchase agreement, or grant award with any Arkansas State Agency.

SUBCONTRACTOR:

SUBCONTRACTOR NAME:

☐ Yes ☒ No

IS THIS FOR:

☐ Goods?

☒ Services? ☐ Both?

TAXPAYER ID NAME: Hewitt EnnisKrup, An Aon Company

YOUR LAST NAME: Testore

FIRST NAME: Dave

M.I.:

ADDRESS: 10 South Riverside Plaza, Suite 1600

CITY: Chicago

STATE: IL

ZIP CODE: 60606 --

COUNTRY: USA

**AS A CONDITION OF OBTAINING, EXTENDING, AMENDING, OR RENEWING A CONTRACT, LEASE, PURCHASE AGREEMENT, OR GRANT AWARD WITH ANY ARKANSAS STATE AGENCY, THE FOLLOWING INFORMATION MUST BE DISCLOSED:**

### FOR INDIVIDUALS \*

Indicate below if: you, your spouse or the brother, sister, parent, or child of you or your spouse is a current or former: member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee:

Position Held	Mark (✓)		Name of Position of Job Held [senator, representative, name of board/ commission, data entry, etc.]	For How Long?		What is the person(s) name and how are they related to you? [i.e., Jane Q. Public, spouse, John Q. Public, Jr., child, etc.]	
	Current	Former		From MM/YY	To MM/YY	Person's Name(s)	Relation
General Assembly	<input type="checkbox"/>	<input type="checkbox"/>					
Constitutional Officer	<input type="checkbox"/>	<input type="checkbox"/>					
State Board or Commission Member	<input type="checkbox"/>	<input type="checkbox"/>					
State Employee	<input type="checkbox"/>	<input type="checkbox"/>					

☒ None of the above applies

### FOR AN ENTITY (BUSINESS) \*

Indicate below if any of the following persons, current or former, hold any position of control or hold any ownership interest of 10% or greater in the entity: member of the General Assembly, Constitutional Officer, State Board or Commission Member, State Employee, or the spouse, brother, sister, parent, or child of a member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee. Position of control means the power to direct the purchasing policies or influence the management of the entity.

Position Held	Mark (✓)		Name of Position of Job Held [senator, representative, name of board/commission, data entry, etc.]	For How Long?		What is the person(s) name and what is his/her % of ownership interest and/or what is his/her position of control?		
	Current	Former		From MM/YY	To MM/YY	Person's Name(s)	Ownership Interest (%)	Position of Control
General Assembly	<input type="checkbox"/>	<input type="checkbox"/>						
Constitutional Officer	<input type="checkbox"/>	<input type="checkbox"/>						
State Board or Commission Member	<input type="checkbox"/>	<input type="checkbox"/>						
State Employee	<input type="checkbox"/>	<input type="checkbox"/>						

☒ None of the above applies

# CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM

**Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this contract. Any contractor, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the agency.**

**As an additional condition of obtaining, extending, amending, or renewing a contract with a state agency I agree as follows:**

1. Prior to entering into any agreement with any subcontractor, prior or subsequent to the contract date, I will require the subcontractor to complete a **CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM**. Subcontractor shall mean any person or entity with whom I enter an agreement whereby I assign or otherwise delegate to the person or entity, for consideration, all, or any part, of the performance required of me under the terms of my contract with the state agency.

2. I will include the following language as a part of any agreement with a subcontractor:

*Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this subcontract. The party who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the contractor.*

3. No later than ten (10) days after entering into any agreement with a subcontractor, whether prior or subsequent to the contract date, I will mail a copy of the **CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM** completed by the subcontractor and a statement containing the dollar amount of the subcontract to the state agency.

**I certify under penalty of perjury, to the best of my knowledge and belief, all of the above information is true and correct and that I agree to the subcontractor disclosure conditions stated herein.**

Signature RL ZH Title CAO Date 5/31/13  
Entity Contact Person Laurel Nicholson Title Senior Consultant Phone No. 312-715-3346

## AGENCY USE ONLY

Agency Number \_\_\_\_\_ Agency Name \_\_\_\_\_ Agency Contact Person \_\_\_\_\_ Contact Phone No. \_\_\_\_\_ Contract or Grant No. \_\_\_\_\_

FORMS AVAILABLE FROM OFFICE OF DISCLOSURE AND REVIEW (501) 682-5407

\*NOTE: PLEASE LIST ADDITIONAL DISCLOSURES ON SEPARATE SHEET OF PAPER IF MORE SPACE IS NEEDED