



## **REQUEST FOR PROPOSAL**

### **SECTION 1 – PURPOSE, BACKGROUND, AND TERM**

#### **1.1 PURPOSE**

The purpose of this Request for Proposal (RFP) is to solicit proposals from qualified investment consulting firms or persons, interested in providing investment consulting/advisory services and performance measurement for the Cal Poly Pomona Philanthropic (Foundation) Investment Portfolio (Portfolio) to the Investment Staff (Staff), the Finance and Investment Committee (Committee), and the Board of Directors (Board). The Foundation will select the most qualified investment consulting firm (Advisor) to provide investment consulting services based on the response to this RFP and presentations by the top candidates. The selected firm will be responsible for the management of both the endowment portfolio (approximately \$165 million) and the general investment portfolio (approximately \$50 million).

#### **1.2 BACKGROUND**

The Foundation was established in 2019 to promote, secure and steward private support for the University.

The work of the Foundation will be significant to building on the past success of the university as we look to the future. By broadening partnerships and collaborations that support the university's educational mission and by helping secure financial support, the foundation will directly support student scholarships, faculty research initiatives, and projects benefiting the economic vitality of the state and region.

#### **INVESTMENT PROGRAM BACKGROUND**

This solicitation primarily involves assistance in the management of the endowment fund under the investment authorities. A draft investment policy for endowment fund has been developed and is subject to revision upon input from the hired Advisor and approved by the Finance and Investment Committee. The investment objectives and risk tolerance of the endowment fund will be developed through collaboration amongst the Staff, the Finance and Investment Committee and the Advisor. Funds are expected to be invested with a long-term view embracing a total-return concept over a full market cycle. All funds will be managed by external investment managers.

In order to meet its fiduciary responsibilities, the Foundation has decided to engage the services of an investment consultant (Advisor) to assist Staff, the Finance and Investment Committee, and the Board. The selected Advisor will attend the Finance and Investment Committee meetings and will work closely with the Finance and Investment Committee and Staff. The Finance and Investment Committee and Staff will seek the Advisor's advice and recommendations in the design, development, implementation, reporting and monitoring of the Fund.

The selected Advisor should provide independent, objective, and creative input to assist the Foundation in fulfilling its fiduciary responsibility as to the investing of assets and to maintain performance history for reporting and analysis. The requested services include but are not limited to setting and implementing

investment objectives and asset allocation, management structures, performance measurement and analytics, manager search and evaluation, risk management and analysis, and other operational needs. The Advisor will be expected to offer analysis, advice and recommendations as detailed in Section 4 – Scope of Services.

The Foundation committee and board of directors will evaluate all proposals submitted. Finalists selected will be invited to make formal presentations of their proposals to the Finance and Investment Committee and Board of Directors. Selection of the Advisor is subject to final approval by the Foundation.

### 1.3 TERM

The initial term of contract will be three (3) years, with the Foundation retaining the option of up to three (3) successive one (1) year renewals with the same terms and conditions commencing.

### 1.4 RFP RULES AND INSTRUCTIONS

The rules governing this RFP, Proposer instructions and RFP response format are stated in Sections 3 and 6 of this RFP. Respondents are advised to carefully read, understand, and comply with these requirements in preparing responses to this RFP.

<b>SECTION 2 – SCHEDULE OF EVENTS</b>	<b>DATE</b>
Release of Request for Proposal	09/15/2023
Last Day to Submit Written Questions	10/02/2023
Last Day for Submissions of Proposal	10/20/2023
Finalist Interviews to begin	10/30/2023
Notice of Intent to Award	11/16/2023
Effective Date of Agreement	01/01/2024

Addendums and responses to questions will be posted on the Foundation website. The dates up to and including the “Last day for Submission of Proposal” date may be adjusted upon prior written notice. Dates after the receipt of proposals may be adjusted without written notice. Additional RFP steps may be included at the discretion of the Foundation.

## **SECTION 3 – SOLICITATION PROVISIONS AND PROPOSER’S CERTIFICATION**

### 3.1 RESERVATION OF RIGHTS

The Foundation may reject any or all proposals and may waive any immaterial deviation in a Proposal. The Foundation’s waiver of an immaterial defect shall in no way modify the RFP documents or excuse the Bidder from full compliance with the specifications if the Bidder is awarded the contract. Proposals that include terms and conditions other than the Foundation’s terms and conditions may be rejected as being non-responsive. In the event all proposals are rejected, or the Foundation determines alternative solutions are in its best interest, the Foundation may cancel this solicitation and pursue alternative sourcing options.

The Foundation may make such investigations as deemed necessary to determine the ability of the Bidder to perform the work, and the Bidder shall furnish all such information and data for this purpose. The Foundation reserves the right to reject any submittal made pursuant to this RFP or any subsequent Proposal or bid if the evidence submitted by, or investigation of, such Bidder fails to satisfy the Foundation that such Bidder is properly qualified to carry out the obligations of the contract and to complete the work specified. Additionally, the Foundation reserves the right to request additional performance guarantees if, in the sole opinion of the Foundation, financial stability or capability cannot be established.

### 3.2 NON-ENDORSEMENT

If selected as a qualified Bidder, the Bidder shall not issue any news releases or other statements pertaining to selection, which state or imply Foundation endorsement of Bidder's services.

### 3.3 DISPUTES/PROTESTS

Foundation encourages potential Bidders to resolve issues regarding the requirements or the procurement process through written correspondence and discussions. The Foundation wishes to foster cooperative relationships and to reach a fair agreement in a timely manner.

Bidder's filing a notification to protest must do so within five (5) business days after a Notice of Intent to Award has been publicly posted. The protesting Bidder shall submit a full and complete written statement detailing the facts in support of the protest within 10 calendar days after expressing notification to protest. Protest must be sent by certified or registered mail or delivered in person to the Chief Executive Officer. Within a reasonable time after receipt of the written statement of protest, the Foundation will provide a decision on the matter. The decision will be in writing and sent by certified or registered mail or delivered in person to the protesting Bidder. The decision of Foundation is final.

### 3.4 AWARD OF CONTRACT

The Foundation reserves the right to reject any and all proposals and to award one or more contracts. Award, if any, will be to the Bidder, whose proposal best complies with all the requirements of the RFP documents and any addenda. A "Notice of Intent to Award" will be posted publicly for five (5) consecutive working days prior to the award. Written notification will be made to unsuccessful vendors.

The selected Bidder and the Foundation shall commit to negotiation for the final scope of services to be accepted and execution of an agreement, in substantial accordance with the terms and conditions herein, within 30 days of the Notice of Intent to Award. Should the parties be unable to reach final agreement within this time frame, the parties may mutually agree upon a time extension to complete negotiations and contract execution. If the parties are unable to agree upon a time extension, or if the Foundation determines that a time extension would not be beneficial to the project, the Foundation reserves the right to terminate negotiations and proceed with a secondary finalist.

### 3.5 EXECUTION OF THE AGREEMENT

The Agreement shall be signed by the Contractor and returned, along with the required attachments to Foundation within **fourteen (14)** calendar days from receipt of contract. The period for execution may be changed by mutual agreement of the parties. Contracts are not effective until approved by the appropriate Foundation officials. Any work performed prior to receipt of a fully executed contract shall be at Contractor's own risk.

### 3.6 FAILURE TO EXECUTE THE AGREEMENT

Failure to execute the Agreement within the time frame identified above shall be sufficient cause for voiding the award. Failure to comply with other requirements within the set time shall constitute failure to execute the Agreement. If the successful Bidder refuses or fails to execute the Agreement, the Foundation may award the Agreement to the next qualified Bidder.

### 3.7 CONFLICT OF INTEREST

Potential Contractors are advised that Contractor's officers and employees shall comply with the disclosure, disqualification, and other provisions of California's Political Reform Act of 1974 (Government Code Section 81000 et seq.) if their responsibilities include the making or participation in the making of a Foundation decision.

### 3.8 DISABLED VETERAN BUSINESS ENTERPRISE (DVBE) INCENTIVE

In accordance with Government Code section 14838(f), and Military and Veterans Code sections 999.5(a) and 999.5(d), the Trustees shall grant a bid incentive for bid evaluation purposes only. The level of DVBE incentive will correlate to the level of participation; that is, the more DVBE participation proposed, the higher the incentive. A non-small business cannot displace a California certified small business from the top ranked position due to application of preferences or incentive.

The bid incentives levels are as follows:

DVBE Participation on this contract	Incentive
1%	1%
2%	2%
3%	3%
4%	4%
5% and above	5%

In solicitations where an award is to be made to the highest scored bidder based on evaluation factors in addition to price, the DVBE Incentive shall be a percentage of the highest responsible bidder's total score. In solicitations where an award is to be made to the low bid, the incentive is a percentage of the low bid total.

If requesting the DVBE Incentive, then complete the Bidder Declaration Form and indicate the total DVBE participation.

### 3.9 SMALL BUSINESS PREFERENCE

The State of California requires agencies to provide a five percent (5%) preference to Proposers or Bidders who qualify as either California certified small businesses or non-small businesses that commit 25% of the contract value to California certified small businesses. To be eligible, the small businesses must be certified by The Office of Small Business and DVBE Services. The rules and regulations of this law, including the definition of a small business for the delivery of services, are contained in Title 2, California Government Code, Section 14838, et seq. and Title 2, California Administrative Code, Section 1896, et seq. Copies of the codes and regulations are available online or upon request.

If requesting the Small Business Preference, then complete the Bidder's Declaration Form and indicate the total Small Business participation.

The use of the Small Business Preference shall be in compliance with the law and specifically Government Code Section 14838.B.2. In solicitations where an award is to be made to the highest scored bidder based on evaluation factors in addition to price, the preference to small businesses or microbusiness shall be 5 percent of the highest responsible bidder's total score. The preference to non-small business bidders that provide for small business or microbusiness subcontractor participation shall be up to a maximum 5 percent of the highest responsible bidder's total score, determined according to rules and regulations established by the Department of General Services. In solicitations where an award is to be made to the low bid, the preference is applied by factoring 5 percent of a non-small business low bid total and subtracting this amount from the small business bid total.

### 3.10 ACCESSIBILITY TECHNOLOGY INITIATIVE – SECTION 508

California Government Code 11135 requires that the Foundation comply with Section 508 of the Rehabilitation Act of 1973, as amended, and to apply the accessibility standards published by the U.S. Access Board for electronic and information technology (EIT) products and services that it buys, creates, uses, and maintains.

EIT is any equipment, interconnected system, or subsystem of equipment used in the creation, conversion, or duplication of data or information. EIT is defined by the Access Board at 36 CFR 1194.4 and in the FAR at 2.101. EIT includes:

- Telecommunication products, such as telephones.
- Information kiosks.
- Transaction machines.
- World Wide Web sites.
- Software and Operating Systems.
- Computers.
- Multimedia (including videotapes).
- Office equipment, such as copiers and fax machines.

### 3.11 PATENT, COPYRIGHT, AND TRADE SECRET INDEMINITY

A contractor may be required to furnish a bond to the Foundation against all loss, damage, costs, expenses, claims and liability for patent, copyright, and trade secret infringement.

### 3.12 ACCOMMODATIONS FOR THE DISABLED

It is the policy of the Foundation to make every effort to ensure that its programs, activities, and services are available to all persons, including persons with disabilities. Persons with a disability needing a reasonable modification to participate in the procurement process, or persons having questions regarding reasonable modifications for the procurement process may contact the buyer listed elsewhere in this solicitation.

### 3.13 LOSS LEADER

It is unlawful for any person engaged in business within this state to sell or use any article or product as a "loss leader" as defined in Section 10730 of the Business and Professions Code.

"Loss leader" means any article or product sold at less than cost:

- (a) Where the purpose is to induce, promote, or encourage the purchase of other merchandise, or
- (b) Where the effect is a tendency or capacity to mislead or deceive purchasers to prospective purchases; or
- (c) Where the effect is to divert trade from or otherwise injure competitors

### 3.14 BRAND NAMES

Any reference to brand names is intended to be descriptive, but not restrictive, unless otherwise specified. Proposals meeting the indicated standards of quality will be considered, unless otherwise specified, providing the proposal clearly describes the article offered and how it differs from the referenced brands. Unless the contractor specifies otherwise in the proposal, it is understood the Contractor is offering referenced brands as specified. The Foundation reserves the right to determine whether a substitute offer is equivalent to and meets the standards of quality indicated by the brand name references. The Foundation may require a contractor offering a substitute to supply additional descriptive material and sample.

### 3.15 BIDDER'S CERTIFICATION

By submitting a proposal, the Bidder certifies to comply with the following:

### 3.16 AMERICANS WITH DISABILITIES ACT (ADA)

Bidder assures the Foundation complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.).

### 3.17 UNFAIR PRACTICES ACT

Bidder warrants that its bid complies with the Unfair Practices Act (Business and Professions Code Section 17000 et seq.).

### 3.18 VIOLATION OF AIR OR WATER POLLUTION LAWS

Unless the contract is less than \$25,000.00 or with a sole-source provider, Government Code Section 4477 prohibits the State from contracting with a person, including a corporation or other business association, who has been determined to be in violation of any State or federal air or water pollution control law. By a proposal the Bidder warrants that the Bidder has not been found to be in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution district, or is subject to a cease and desist order not subject to review issued pursuant to Section 13310 of the Water Code for violation of waste discharge requirements or discharge prohibitions, or is finally determined to be in violation of provisions of federal laws relating to air or water pollution. By submitting a bid, the Bidder certifies that it has not been identified either by published notices or by Board notification as a person in violation of State or federal air or water pollution control laws.

### 3.19 COMPLIANCE WITH NLRB ORDERS

In submitting a bid or signing a contract the Bidder swears under penalty of perjury that no more than one final, unappealable finding of contempt of court by a federal court has been issued against the Bidder within the immediately preceding two-year period because of the Bidder's failure to comply with an order of a federal court which orders the Bidder to comply with an order of the National Labor Relations Board. This provision is required by, and shall be construed in accordance with, Public Contract Code Section 10296.29.

### 3.20 ASSIGNMENT OF ANTITRUST ACTIONS

The Bidder's attention is directed to the following provisions of Government Code Sections 4552, 4553, and 4554, which shall be applicable to the Bidder:

In submitting a bid to a public purchasing body, the Bidder offers and agrees that if the bid is accepted, it will assign to the procurement body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2, [commencing with Section 16700] of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the Bidder for sale to the procurement body pursuant to the bid. Such assignment shall be made and become effective at the time the procurement body tenders final payment to the Bidder (Government Code Section 4552).

If an awarding body or public procurement body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery (Government Code Section 4553).

Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action (Government Code Section 4554).

### 3.21 NONCOLLUSION AFFIDAVIT

By submitting a bid, Bidder hereby certifies that the bid is not made in the interest of, or on behalf of, any undisclosed party; that the bid is genuine and not collusive, false, or sham; that the Bidder has not directly or indirectly induced or solicited any other Bidder to put in a false or sham bid, and has not directly or indirectly agreed with any Bidder or anyone else to put in a false or sham bid, or to refrain from bidding; that the Bidder has not in any manner, directly or indirectly, sought to fix any overhead, profit or cost element of the bid, of that of any other Bidder, or to secure any advantage against the public body awarding the contract or anyone interested in the proposed contract.

### 3.22 SAFEGUARDS FOR PROTECTING PHILANTHROPIC INFORMATION ASSETS

By submitting a bid, Bidder acknowledges Federal privacy laws such as Gramm-Leach-Bliley Act (Title 15, United States Code, Sections 6801(b) and 6805(b) (2)) applicable to financial transactions and Family Educational Rights and Privacy Act (Title 20, United States Code, Section 1232g) applicable to student records and information from student records. In the event that such information is required for the performance of the work specified, the Bidder hereby certifies that it has the appropriate safeguards in place as required by Title 16 Code of Federal Regulation Chapter 1 Section 314.

### 3.23 COVENANT AGAINST GRATUITIES

The Bidder shall warrant that no gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by the Bidder, or any agent or representative of the Bidder, to any officer or employee of the Foundation with a view toward securing the Contract or securing favorable treatment with respect to any determinations concerning the performance of the Contract. For breach or violation of this warranty, the Foundation shall have the right to terminate the Contract, either in whole or in part, and any loss or damage sustained by the Foundation in procuring on the open market any items, which the Bidder agreed to supply, shall be borne and paid for by the Bidder. The rights and remedies of the Foundation provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Contract.

### 3.24 DRUG-FREE WORKPLACE CERTIFICATION

The Bidder certifies under penalty perjury under the laws of the State of California that the Bidder will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code, Section 8355 et. seq.) and will provide a drug-free workplace by doing all that which Section 8355 et seq. requires.

### 3.25 ELECTRONIC WASTE RECYCLING ACT

In submitting a bid for electronic devices, as defined by the Electronic Waste Recycling Act of 2003, Part 3 Division 30 Changer 8.5 of the Public Resource Code, the Bidder certifies that it, and its agents, subsidiaries, partners, joint ventures, and subcontractors for the procurement, have complied with the Electronic Waste Recycling Act of 2003 and any regulations adopted pursuant to the Act, or have demonstrated to the Foundation that the Electronic Waste Recycling Act of 2003 is inapplicable to all lines of business engaged in by the bidder, its agents, subsidiaries, partners, joint venturers, or subcontractors. In addition, the Bidder agrees to cooperate fully in providing reasonable access to its records and documents that evidence compliance with the Electronic Waste Recycling Act of 2003.

## **SECTION 4 – REQUEST FOR PROPOSAL SPECIFICATIONS**

### 4.1 SCOPE OF SERVICE

The Foundation is seeking proposals from qualified, independent management and consulting firms for Investment Advisory Services related to the Foundation's general investments and endowment assets. Responders should be experienced in active portfolio management and serving a client base of higher educational institutions and their foundations.

The Foundation currently utilizes the services of a firm in a traditional OCIO capacity. The Foundation is interested in reviewing innovative strategies and relationships; and therefore, solicits proposals for a discretionary model such as an outsourced CIO, or other alternatives.

The Foundation seeks the following investment advisory services:

- 1) Collaborating with an investment committee consisting of Foundation personnel as well as Board of Director members to maintain and update the Foundation General and Endowment Investment Policies. This may include making recommendations such as asset allocations, investment rebalancing, changes in investment managers, and benchmark choices. A copy of the current investment policies is enclosed as Appendix A.
- 2) Providing timely and well researched recommendations for changes to the portfolio with the goal of income maximization balanced with safeguarding assets and minimizing risk.
- 3) Providing monthly and quarterly portfolio performance reports.
- 4) Participating in monthly meetings with an investment team consisting of Foundation staff and committee members.
- 5) Ongoing monitoring of portfolio, including manager due diligence and risk management.
- 6) Preparing and presenting a quarterly and annual review of investment performance and other relevant information to the Board of Directors and Finance and Investment Committee.
- 7) Providing special reports and studies as requested by the Foundation.
- 8) Conducting technical research necessary to provide the services listed above.
- 9) Any other services that the Foundation or Investment Advisor feels is in the best interest of the Foundation's investment objectives.



The Foundation currently maintains two pools of investments as described in the policies. The short-term pool is maintained by Foundation's investment consultant. The short-term pool enables the Foundation to meet its day-to-day obligations. The endowment pool is invested to produce long term consistent returns to fund program and scholarship activities of the university. Refer to the IPS for information related to the current objectives, asset allocations and benchmarks for these pools.

#### 4.2 SPECIFICATIONS

Responders should include the following information in the given order to facilitate comparisons between responses.

##### 1) Firm Profile

- a. Provide a summary of the Firm, including the location of all offices, the year formed and a brief history.
- b. Provide the Firm's website.
- c. Describe the Firm's core mission, vision, and values. How often are these items evaluated and how have they changed in the past ten years?
- d. Explain the ownership structure of the Firm, including details with regard to parent or affiliated companies. Describe the financial condition of the Firm, parent and affiliates. Provide information regarding changes in ownership or restructuring that have occurred in the past three years or that are anticipated in the future. Include discussion of any anticipated significant changes in the Firm such as plans for future growth and/or succession planning.
- e. Categorize the Firm's revenue source between retail and institutional accounts.
- f. Identify the types of accounts primarily sought by the Firm.
- g. Provide a representative client list, indicating any client relationship with less than a two (2) year history.
- h. Provide the assets under management and details of the various asset classes under management.
- i. Provide a brief history of the development and evolution of the OCIO business from inception to present day, and the relevance of any historical experience/track record that lend credibility to your firm's experience within the OCIO industry.
- j. Describe the Firm's average, mean, largest and smallest client size.
- k. Specify the number of years of experience the Firm has with nonprofit entities, specifically higher education institutions and their foundations.
- l. Describe the Firm's historical client turnover rate. Provide the number of clients that have been gained or lost over the past three (3) years. For those clients lost in the last twelve months, please provide the reason(s) for termination.
- m. Please describe the levels of coverage for errors and omissions insurance and any other fiduciary or professional liability insurance carried by the firm that would apply to the delivery of services to the Cal Poly Philanthropic Foundation.

## 2) Personnel

- a. Identify key individuals in the Firm and provide a biography of each including education, employment history, and number of years with the Firm.
- b. Identify key staff who would be directly involved in serving the Foundation and provide a biography including education, employment history, professional designations, number of years with the Firm, experience with higher education or other institutional client engagements, current position and anticipated role in this engagement. In the event the Firm is selected, the Foundation would expect these identified key staff would not be changed without prior written consent. Please acknowledge your ability and willingness to comply with this condition.
- c. How many clients/accounts does each professional or team of professionals' support?
- d. Describe the Firm's compensation arrangement for professional staff including any circumstances under which the Firm or any professional receives compensation or finder's fees from investment managers.
- e. Explain the Firm's policies and programs to retain key personnel.
- f. Describe how the Firm will provide continuity of services in the case of professional turnover.
- g. Describe the turnover of professionals at the Firm for the past three years.

## 3) Compliance and Control

- a. Is the Firm a registered investment advisor under the Investment Advisors Act of 1940? If yes, please provide the latest Form ADV.
- b. Describe any situation in which the Firm provides incentives to anyone working with a client to promote one financial product over another.
- c. Provide a copy of the Firm's Code of Conduct, Ethics Policy and Conflicts of Interest Policy. How are these policies monitored and enforced?
- d. Describe any potential conflicts of interest issues your Firm would have in servicing the Foundation.
- e. Describe any SEC or regulatory census, litigation, or investigation within the last five (5) years involving the Firm, or any of its principals, employees, or representatives.

## 4) Investment Advisory Services

- a. Provide the Firm's investment philosophy.
- b. Describe the process the Firm will use to help the Foundation achieve: 1) appropriate policy statements and objectives; 2) asset allocation; 3) disciplined rebalancing; and 4) tactical asset allocation changes. Include discussion of the Firm's experience in doing so for other similar clients.
- c. Discuss the Firm's capability to provide asset modeling studies.

- d. Describe the process the Firm uses to develop asset class expected return/risk assumptions.
- e. Describe how the Firm monitors and controls portfolio risk.
- f. Describe how benchmarks are chosen or developed.
- g. Describe the Firm's position regarding the employment of active investments versus passive investments.
- h. Describe the Firm's capabilities and approach regarding alternative investments, specifically hedge funds and non-marketable alternative investments. Include the Firm's viewpoints on investing in alternative assets with such information as suggested allocation, types of vehicles, etc.
- i. Describe the Firm's philosophy toward utilizing index funds /ETFs.
- j. Address the Firm's philosophy toward separately managed accounts and mutual funds.
- k. Provide feedback on the Foundation's current asset allocation as compared to the Firm's current investment philosophy.

#### 5) Investment Selection and Research

- a. Describe the range of investment choices / products the Firm typically offers or recommends.
- b. Describe a typical management search process conducted by the Firm.
- c. Describe the process the Firm uses to identify potential investment managers. Indicate the quantitative tools utilized by the Firm to evaluate managers and the market. In addition, indicate whether these tools were developed in-house or purchased from outside vendors.
- d. Does the Firm have in-house professionals dedicated to manager research? If yes, how many and what are their credentials? Describe their role in the selection process. Specify the individuals dedicated to research for alternative investments.
- e. Describe how the Firm categorizes equity managers by style.
- f. Describe the Firm's approach to ongoing manager due diligence.
- g. Describe the Firm's involvement in negotiating fees with investment managers.
- h. Describe in detail the Firm's process for review and termination of investment managers. What are the Firm's criteria for placing a manager on a watch list?
- i. Describe your experience/expertise with private capital investments. What resources do you have focused on the asset class? Have you facilitated secondary market transactions on a client's behalf to buy a partnership and/or sell a partnership?
- j. Describe your approach to transitioning portfolios for new clients. Are portfolio transitioning costs included in your stated fees? Does your firm assume fiduciary duty over the liquidation and transition of legacy assets to your proposed target portfolio?

- k. Describe your firm's approach to environmental, social and governance investing, united nations sustainable development goals, and united nations principles for responsible investment.

#### 6) Performance Measurement/Evaluation and Reporting

- a. Describe the Firm's approach, philosophy, capabilities, and experience in providing performance evaluation services.
- b. What checks are done to review client portfolio weightings against target, range or a model portfolio? With what frequency is this performed?
- c. Include a list of all asset categories tracked in the Firm's performance database and how many years of data are maintained for each.
- d. Describe the frequency (e.g., monthly, quarterly) and format of the performance reports produced by the Firm. If possible, include an abbreviated sample report.
- e. Specify the time the Firm takes to deliver performance reports after the end of the investment period. What method of delivery is used?
- f. Describe the sources of data the Firm uses in calculating investment performance.
- g. Does the Firm have the ability to customize reports for clients, including audit support? Is there an additional fee for audit support?
- h. Does the firm have the ability to integrate past historical data from the Foundation to provide a long-term perspective?

#### 7) Client Interaction

- a. Describe the Firm's preferences for client communications. For example, does the Firm prefer all client communication to flow through one contact person?
- b. What is a reasonable expectation for frequency of communication including in person meetings (email, conference call, etc.)?
- c. What services does the Firm provide for the education of the Foundation Finance and Investment Committee?
- d. Describe how the Foundation would transition investment services to the Firm.
- e. Discuss the Firm's approach to custodial services, if necessary. Does the Firm prefer the client use certain custodians? If yes, which one(s) and why?
- f. How does the Firm interact and work with custodians?
- g. Describe the Firm's policies regarding the confidentiality of client information, especially regarding changes or potential changes in outside managers or asset allocation.
- h. How does the Firm interact with clients on decision-making? What roles are performed by the client and what roles are performed by the Firm? If the Firm proposes a discretionary model, describe the Foundation's level of involvement (if any) in decisions

that are aligned with the IPS but represent a change in strategy.

#### 8) Fees

- a. Outline the Firm's fee structure and services included. Provide a fee proposal for each of the services the Firm is proposing to provide. If hourly billing rates are part of the fee structure, provide the current billing rates for professionals expected to perform services for the Foundation. Indicate if travel costs and miscellaneous expenses are billed separately.
- b. Indicate any other form of compensation not yet revealed which the Firm may receive as a result of working with the Foundation. Describe the Firm's philosophy on the acceptance of soft dollars and the potential conflicts of interest that may result.
- c. Are the basis point fees guaranteed for a set period? How long?

#### 4.3 REFERENCES

Provide names and contact information of three client references within higher education or not for profit industry. Indicate the length of time serving each client.

#### 4.4 REQUEST FOR PROPOSAL RESPONSE FORM AND PROPOSAL FORMS

Respondent Signature and Information Form:

In addition to the information requested in the previous sections, please complete the following:

#### 4.5 INSURANCE AND LIABILITY

1. Please describe the levels of coverage for errors and omissions insurance and any fiduciary or professional liability insurance your firm carries. Is the coverage on a per client basis, or is the dollar figure applied to the firm as a whole?
2. What limitation on liability, if any, do you impose through your contract?

#### 4.6 SUBCONTRACTING

1. If your firm uses the services of a subcontractor, please identify the subcontractor and describe the skills and qualifications of the subcontractor and its individual employees.
  - Describe the decision process the firm utilized in determining why to use a subcontractor(s) and how the subcontractor(s) was selected.
  - Describe what portions of the project will be assigned to the subcontractor and what percentage of total scope of services would be allocated to the subcontractor.

#### 4.7 SUSTAINABILITY

Firms must present information describing their current sustainable practices, to include, as applicable, the areas of natural resources, company operation and positive social/community impact, written policy statement, sustainable business practices and environmentally preferable purchasing practices or updates to Vendor's sustainable practices, as applicable.

#### 4.8 FEES FOR SERVICES/MISCELLANEOUS

Do you intend to charge for "special projects?" How would special projects be defined and billed? Please list any anticipated miscellaneous expenses and disbursement (and/or administrative "load" or other charges) for which you intend to charge.

#### 4.9 REQUIRED DOCUMENTS

- Firm Wide Organizational Chart. Describe the relationship between each component and your consulting group.
- Consulting Group Organization Chart. If consultants are organized into teams, please identify teams in the organization chart.
- Detail all appropriate licenses and registrations (NASD) of the team members. Please provide documentation of professional licenses.
- Detail any enforcement action taken by regulatory agencies against any team member.
- Client List including the type of services provided and the length of time your firm has provided those services to each client. Please include your five largest public plan clients and their approximate asset size.
- Sample Asset Allocation Monitoring Report.
- Sample Recommended Asset Allocation Supplement.
- Most Current Capital Market Assumption (7 years or longer; preferably 10-15-years).
- Furnish an example of a recent investment manager search, including:
  - The circumstances surrounding the decision to search for a new investment manager, your role
  - Any recommendations your firm made
  - The selection criteria followed
  - The top three to five managers under consideration
  - The process used to determine these finalists
  - The Finalists Presentation/Evaluation Process
  - The final selection and
  - Post selection performance of the investment manager.
  
- Provide one example of a written recommendations to hire and one recommendation to terminate an investment manager that you have made to a client within the last 12 months. Include copies of supporting documentation you provided to your client.
- Sample Quarterly Performance Report for a current public sector client.
- Sample Monthly Flash Performance Report or a current public sector client.
- Sample Investment Policy Statement that you consulted on
- Samples of one research reports on special topics generated by your firm.
- Sample of an investment related educational presentation.
- Biographies for all senior level investment professionals in your firm.
- Certificate(s) of Insurance evidencing coverage as described in your proposal.
- Firm's Last Annual Financial Report.
- Form ADV Parts 1 and 2.

### **SECTION 5 – EVALUATION AND SELECTION CRITERIA**

#### 5.1 Selection Criteria

The Foundation will only consider proposals from financially responsible and responsive firms and organizations presently engaged in the business of providing Investment Consulting/Advisory Services. The award will be made to the most responsible and responsive vendor or partnership group whose proposal is determined to be the most advantageous to the Foundation based on the evaluation criteria listed below in order of importance.

## 5.2 Evaluation Method

All proposals shall be reviewed to verify the Proposer has met the RFP submission requirements. Proposals that have not followed the rules, do not meet minimum content, requirements, qualifications, quality standards, take unacceptable exception to the terms and conditions, or are non-responsive to the required responses in this RFP will be eliminated from further consideration.

Proposals determined to have met the RFP requirements will be reviewed and evaluated by the evaluation team. As a part of this review, the Foundation may require proposing firms or organizations to clarify the information submitted. This clarification process may be conducted through written or electronic correspondence or through an interview with the evaluation team.

Responsive Proposers found to be most qualified to perform the services required, based upon the listed criteria, will be down selected as Finalists and may be required to give oral interview/presentations to the evaluation team as part of the evaluation process. The purpose of interview/presentation is to give finalists an opportunity to demonstrate their ability to perform the scope of work defined in this RFP and clarify outstanding issues. It is in the proposing firms' best interests to submit thorough and complete proposals and not depend on the presentation process to provide additional information. All firms and organizations or partnership groups selected for an interview and presentation will be notified of the proposed interview date(s) and location at least one week in advance.

Firms and organizations or partnership groups selected for interview must present, for in-person interview, both the dedicated/lead point of contact for the project and the vendor representative with financial decision-making authority for the project.

From among the Finalist proposers the Foundation may select one or more firm(s) and or organization(s) to enter into final proposal negotiations for the contract award. Finalist proposers may be required to participate in negotiations and to submit best and final price, technical or other revisions to the proposal in order for Foundation to complete RFP scoring and selection process.

All proposers will be notified in writing once one or more firms have been selected.

The Foundation Evaluation Team will make its evaluation based on the criteria below.

## 5.3 Evaluation Criteria

The contract will be awarded to the Proposer who best satisfies the requirement at an optimum cost level. Cost will not be the sole criteria for determining the contract award.

All proposals will be reviewed by an evaluation committee comprised of staff to verify that the proposal has met the minimum qualifications and submission requirements. Proposals that do not meet minimum qualifications shall be disqualified. Proposals that meet the minimum qualifications will be further evaluated and points will be assigned according to the selection criteria as listed below:

<u>Evaluation Criterion</u>	<u>Maximum Possible Score</u>
Qualifications and Services of the Firm	10 Points
Relevant Experience	10 Points
Reporting and Portfolio Evaluation	10 Points
Investment Policy	20 Points
Asset Allocation	20 Points
Fee Structure	10 Points
Discretionary Evaluation	20 Points
TOTAL	100 Points

**FEE PROPOSAL FOR INVESTMENT CONSULTING/ADVISORY SERVICES**

Provide your lowest proposed fees in US dollars for non-discretionary, **Investment Consulting and Advisory services** presented in the format shown below. The Scope of Services, as set forth in this RFP, should form the basis of your proposed fees.

<b>Year</b>	<b>Fee</b>
Year 1	\$
Year 2	\$
Year 3	\$
Year 4 (Foundation Option)	\$
Year 5 (Foundation Option)	\$
Year 6 (Foundation Option)	\$

**FEE PROPOSAL FOR SEPARATELY PROPOSED ADD ON SERVICE**

Provide your lowest proposed fees in US dollars for non-discretionary, separately proposed add on service of **Alternative Investment Consulting** present in the format shown below. The Scope of Services, as set forth in this RFP, should form the basis of your proposed fees.

<b>Year</b>	<b>Fee</b>
Year 1	\$
Year 2	\$
Year 3	\$
Year 4 (Foundation Option)	\$
Year 5 (Foundation Option)	\$
Year 6 (Foundation Option)	\$

Negotiations of the fee may become necessary. In no case will the negotiations result in a fee that is higher than the fee contained in the proposal.

Any services which are provided to the Foundation, and which exceed the Scope of Services must be negotiated separately in advance of providing such service.

**SECTION 6 – PROPOSAL INSTRUCTIONS, CONTENT, AND FORMAT**

**6.1 INSTRUCTIONS**

**6.1.1 QUESTIONS REGARDING RFP AND POINT OF CONTACT**

Any questions, interpretations, or clarifications, either administrative or technical, about this RFP must be requested in writing by e-mail no later than the date indicated in Section 2, Schedule of Events. All written questions, not considered proprietary, will be answered in writing and conveyed to all Bidders. Oral Statements concerning the meaning or intent of the contents of this RFP by any person are not considered binding.

**6.1.2 ERRORS AND OMISSIONS**

If prior to the date fixed for submission of Proposal, any Bidder discovers any ambiguity, conflict, discrepancy, omission, or other error in the RFP or any of its exhibits and/or appendices, Bidder shall immediately notify the Foundation of such error in writing and request modifications or clarification of the document. Modifications may be made by addenda prior to the RFP response deadline. Clarifications will be given by written notice and posted online to all active Bidders, without divulging the source of the request for it.



### 6.1.3 ADDENDA

The Foundation may modify this RFP, any of its key action dates, or any of its attachments, prior to the date fixed for submission by issuance of a written addendum posted to the RFP website. Addenda will be numbered consecutively as a suffix to the RFP Reference Number.

### 6.1.4 CANCELLATION OF SOLICITATION

This solicitation does not obligate the Foundation to enter an agreement. The Foundation retains the right to cancel this RFP at any time for any reason. The Foundation also retains the right to obtain the services specified in this RFP in any other way. No obligation, either expressed or implied, exists on the part of the Foundation to make an award or to pay any cost incurred in the preparation or submission of response to the RFP.

### 6.1.5 REVISIONS IN BID SOLICITATION

This solicitation does not obligate the Foundation to enter into an agreement. The Foundation reserves the right to cancel this solicitation at any time, should the project be canceled. The Foundation loses the required funding, or it is deemed in the best interest of the Foundation. No obligation either expressed or implied, exists on the part of the Foundation to make an award or to pay any cost incurred in the preparation or submission of a bid.

### 6.1.6 COMPLIANCE WITH RFP

To be compliant with the administrative requirements of this RFP, Bidder must meet the mandatory requirements and complete and return the list of submittals in Section 7, Instructions, Content, and Format.

### 6.1.7 COMPLETION OF PROPOSAL

Responses to the RFP shall be complete in all respects as required by this solicitation. A Submission may be rejected if conditional or incomplete, or if it contains any alterations or other irregularities of any kind and will be rejected if any such defect or irregularity could have materially affected the quality of the submission. Documents which contain false or misleading statements, or which provide references that do not support an attribute or condition claimed by the Bidder, may be rejected. Statements made by a Bidder shall also be without ambiguity, and with adequate elaboration, where necessary, for clear understanding.

### 6.1.8 DELIVERY OF PROPOSAL

One copy of the proposal must be received in writing, and one copy must be received electronically.

### 6.1.9 EXCEPTIONS

In the event a Bidder believes that this RFP is unfairly restrictive or has substantive errors or omissions in it, the matter must be promptly brought to the attention of the Foundation's contact, either by e-mail, letter or facsimile, immediately upon receipt of the RFP, in order that the matter may be fully considered and appropriate action taken by the Foundation prior to the closing time set for submission.

### 6.1.10 ALTERNATIVE PROPOSALS

Only one proposal is to be submitted by each Bidder. Multiple proposals shall result in rejection of all proposals submitted by the Bidder.

### 6.1.11 WITHDRAWAL OR PROPOSAL

A Proposal may be withdrawn after it is received by the Foundation by written request signed by the Bidder or authorized representative, prior to the time and date specified for Proposal submission. Proposal may be withdrawn and resubmitted in the same manner if done so prior to the appropriate deadline. Withdrawal or modification offered in any other manner will not be considered.

#### 6.1.12 PROPOSALS BECOME THE PROPERTY OF THE FOUNDATION

Proposals become the property of the Foundation and information contained therein shall become public documents subject to disclosure laws after Notice of Intent to Award. The Foundation reserves the right to make use of any information or ideas contained in the Proposal. Proposals may be returned only at the Foundation's option and at the Bidder's expense. One copy shall be retained for official files. Responses to this RFP and any other information that is currently or may become available as an outcome of the RFP process may be used by the Foundation to structure an RFP or other solicitation. If the Proposer fails to notify the Foundation of a known error or an error that reasonably should have been known prior to the final filing date for submission, the Proposer shall assume the risk. If awarded the contract, the Proposer(s) shall not be entitled to additional compensation or time by reason of error or its late correction.

#### 6.1.13 CONFIDENTIAL MATERIAL

Bidder must notify the Foundation in advance of any proprietary or confidential materials contained in the Proposal and provide justification for not making such material public. The Foundation shall have sole discretion to disclose or not disclose such material subject to any protective order that Bidder may obtain.

Final bids are public upon award of contract; however, the contents of all proposals, correspondence, agenda, memoranda, working papers, or any other medium which discloses any aspect of a bidder's proposal shall be held in the strictest confidence until Notice of Intent to Award is issued. The content of all working papers and discussions relating to the bidder's proposal shall be held confidential indefinitely unless the public interest is best served by an item's disclosure because of its pertinence to a decision, agreement, or an evaluation of the bid.

#### 6.1.14 BIDDER'S COST

Costs for developing proposals are entirely the responsibility of the Bidder and shall not be chargeable to the Foundation.

#### 6.1.15 INSPECTION OF SOLICITATION DOCUMENTS

Bidder shall carefully review all documents referenced and made a part of this solicitation to ensure that all information required to properly respond to the solicitation has been received or made available and all requirements are priced in the proposal. Failure to examine any document, drawing, specifications, or instruction will be at the Bidder's sole risk. It is the Bidder's responsibility to provide the Foundation with current information and to update the Foundation immediately of any changes.

#### 6.2 Content and Format

To be considered responsive to this RFP, Bidder must submit proposals in the format identified in this section. All requirements and questions in the RFP must be addressed and all requested data must be supplied. The Foundation reserves the right to request additional information that in the Foundation's opinion is necessary to assure that the Bidder's competence, number of qualified employees, business organizations, and financial resources are adequate to perform according to the contract requirements. In addition, the Foundation reserves the right to request additional clarifying information on any aspect of a Bidder's proposal.

Proposals should be prepared in such a way as to provide straightforward, concise delineation of capabilities to satisfy the requirements of this RFP. Proposals should emphasize the Bidder's demonstrated capability to perform work of this type. Promotional materials, graphics etc., are not necessary or desired. However, literature describing the proposed services and extent of support included in the proposal can be forwarded as part of the proposal.

## 6.2.1 PROPOSAL CONTENT AND FORMAT

All Bidders are also required to complete the RFP Submittals below. Proposals shall adhere to the following format for organization and content. Proposals must be divided into the individual indexed sections listed below. Additionally, the bidder must submit an Executive Summary (no more than 5 pages) outlining the firm's qualifications for this assignment. The summary should address;

- Portfolio Management strategy
- Approach to Risk Management
- Any enforcement actions against your firm in the past three years
- Process for rebalancing the portfolio
- Other auxiliary services you might provide to the Foundation or University
- The most important attribute of your firm that would be important to the Foundation.

**All proposals must be compiled into two PDF documents with no security restrictions. Document 1 shall include Sections 1-4 below. Document 2 shall include Section 5.**

### Section 1 – Cover Letter

The cover letter shall include:

1. A brief statement of intent to perform the services proposed.
2. Signature of an authorized officer of the organization who has legal authority in such transactions.
3. Full contact information (overnight mailing address, phone, fax, e-mail, etc.) for the individual designated as the Foundation contact on this RFP and a secondary contact.
4. Acknowledgement receipt of all addenda issued.
5. Expressly state that, should the Bidder's proposal be accepted, the Bidder agrees to enter into a contract under the terms and conditions as set forth herein.

***Note: Proposals with unsigned cover letters will be rejected.***

### Section 2 – Exceptions and Confidential Information

Any and all exceptions to the RFP must be listed on an item-by-item basis and cross-referenced with the RFP document. If there are no exceptions, Bidder must expressly state that no exceptions are taken. Please Note: Taking exceptions to proposal requirements may render a Bidder's proposal non-responsive and rejected from further consideration.

### Section 3 – RFP Submittals

This section shall consist of the following response to:

1. Response to Minimum Qualifications (Section 3 and certification form)
2. Response to Section 4 – Consulting Advisory Services  
Please limit the response in this section to 25 pages using a font size no smaller than 11.

### Section 4 – Required Documents

This section shall consist of the following response to Section 4

### Section 5 – Additional Submittals

1. Fees/Price Proposal (See Section 5)

**By signing below, Contractor warrants that it is not subject to an unresolved finding for recovery under ORC 9.24. If the warranty is false on the date the parties sign an Agreement resulting from this RFP, such and any future Agreement is void *ab initio*, and the Contractor must immediately repay to the Foundation any funds paid under any such Agreement.**

TERMS: \_\_\_\_\_

CONTRACTOR QUOTING: \_\_\_\_\_

FEDERAL TAX ID No. OR SOCIAL SECURITY No: \_\_\_\_\_

FIRM NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

\_\_\_\_\_

TELEPHONE No: \_\_\_\_\_

FAX No: \_\_\_\_\_

EMAIL: \_\_\_\_\_

AUTHORIZED SIGNATURE: \_\_\_\_\_

NAME OF SIGNEE: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

\*All bids submitted are taken by the Foundation as offers to sell by the Proposer and acceptance shall occur only by the issuance of a University purchase order or where appropriate, upon the execution of a written contract.