

ANTELOPE VALLEY COLLEGE FOUNDATION

Request for Proposals for Investment Advisory Services

AVC2015-2016-03

PROPOSAL DUE DATE/TIME: OCTOBER 15, 2015, 1:00 P.M. (PST)

**NOTICE TO OFFERORS**

Notice is hereby given that the governing Board (“Board”) of the Antelope Valley Community College District (“District” or “Owner”) will receive sealed proposals for the above-referenced project (“Project”).

**Submittal of Proposals.** Sealed proposals must be received by, but no later than **1:00 P.M. (PST), October 15, 2015**. Any changes to this RFP are invalid unless specifically modified by the District and issued as a separate addendum document. Should there be any questions as to changes to the content of this document, the District’s copy shall prevail. All addenda and notices related to this solicitation will be posted by the District’s Purchasing website at: <http://www.avc.edu/administration/busserv/RFPbiddocs>.

In the event this RFP is obtained through any means other than the District’s distribution, the District will not be responsible for the completeness, accuracy, or timeliness of the final RFP document.

To facilitate the evaluation process, one (1) original of the proposal shall be provided along with two (2) additional copies. All proposals shall be written in ink or typed on 8½” x 11” paper. Mistakes may be crossed out and corrections made adjacent; however, each correction must be initialed by the person signing the proposal.

Delivered proposals shall be enclosed and sealed in an envelope or container clearly marked AVC2015/2016-03, INVESTMENT ADVISORY SERVICES addressed to and delivered in one of the following methods:

Hand-delivered to:

Antelope Valley Community College District  
Business Services-Purchasing Department  
Attention: Mina I. Hernandez, Manager, Purchasing  
3041 West Avenue K  
Lancaster, CA 93536-5426

U.S. Postal Service, UPS, FedEx, or other common carrier delivered to:

Antelope Valley Community College District  
Business Services-Purchasing Department  
Attention: Mina I. Hernandez, Manager, Purchasing  
3041 West Avenue K  
Lancaster, CA 93536-5426

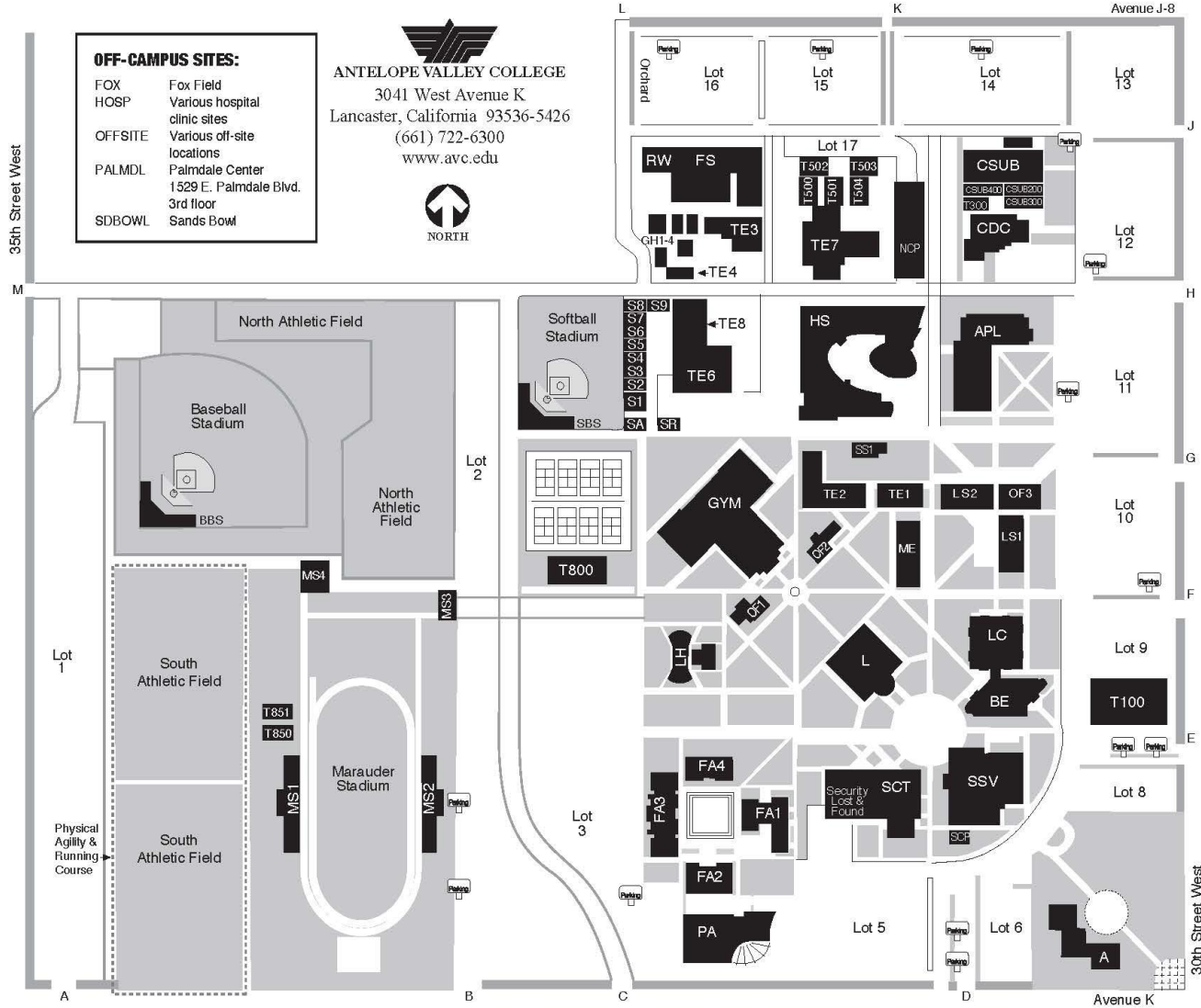
**EMAILED, FAXED OR TELEPHONIC PROPOSALS WILL NOT BE ACCEPTED.**

**Opening of Proposals.** Sealed proposals will be opened publicly and names of Offerors read aloud at 2:00 p.m. (PST) on October 15, 2015 at Antelope Valley College, 3041 West Avenue K, Administration building, room A141, Lancaster, CA 93536-5426. (see attached map)

PROPOSALS DELIVERED TO OTHER THAN THE ABOVE STATED ADDRESSES, OR RECEIVED AFTER THE SCHEDULED SUBMITTAL DEADLINE, WILL BE REJECTED AND RETURNED UNOPENED TO THE OFFEROR UNOPENED. It is the Offeror's sole responsibility to ensure that his/her proposal, inclusive of any or all addenda, is received to the proper place at the proper time. Postmarks will not validate proposals which arrive after the deadline date/time listed above. Any proposal received after the scheduled closing time for receipt of proposals will be returned to the Offeror unopened.

Proposals may be withdrawn by submitting a written request. Such written request must be delivered to the place stipulated in the RFP prior to the scheduled closing time for receipt of proposals.

END OF SECTION



**OFF-CAMPUS SITES:**  
**FOX** Fox Field  
**HOSP** Various hospital clinic sites  
**OFFSITE** Various off-site locations  
**PALMDL** Palmdale Center 1529 E. Palmdale Blvd. 3rd floor  
**SDBOWL** Sands Bowl

**ANTELOPE VALLEY COLLEGE**  
 3041 West Avenue K  
 Lancaster, California 93536-5426  
 (661) 722-6300  
 www.avc.edu

**NORTH**

**LEGEND**

- A** Administration Building
- APL** Applied Arts, Allied Health, & Offices
- BBS** Baseball Stadium
- BE** Business Education, IMC, & Offices
- CDC** Child Development Center
- CSUB** CSU Bakersfield—Antelope Valley
- FA1** Fine Arts [Art & Gallery]
- FA2** Fine Arts [Black Box]
- FA3** Fine Arts [Music & Offices]
- FA4** Fine Arts
- FS** Facilities Services
- GH1-4** Greenhouses
- GYM** Gymnasium [PE & Offices]
- HS** Health & Sciences
- HS001** Health & Sciences Greenhouse
- L** Library
- LC** Learning Center
- LH** Lecture Halls
- LS1** Liberal Studies & Offices
- LS2** Liberal Studies
- ME** Math/Engineering
- MS1-2** Marauder Stadium
- MS3** Stadium Ticket Booth
- MS4** Stadium Concessions/Restrooms
- NCP** North Central Plant
- OF1** Offices: Math/Science
- OF2** Offices: PE
- OF3** Offices: Language Arts & Social Science
- PA** Performing Arts Theatre Building
- RW** Receiving/Warehouse
- SA** SOAR High School Administration
- S1-9** SOAR High School
- SBS** Softball Stadium
- SCP** South Central Plant
- SCT** Student Center [Bookstore, Cafeteria, Security, Lost & Found]
- SR** SOAR HS Restrooms
- SS1** Electrical Substation
- SSV** Student Services & Information
- T100** Assessment/Office for Students with Disabilities
- T501** Faculty Offices
- T502** Nursing Science
- T503-4** Sheriff's Academy
- T800** Construction Office
- T850** Field House—Home
- T851** Field House—Visitors
- TE1** Technical Ed.—Electronics
- TE2** Tech.Ed.—Welding/Fire Technology
- TE3** Tech.Ed.—Agriculture Lab
- TE4** Equipment Building
- TE6** Technical Ed.—Automotive
- TE7** Technical Ed.—Technology
- TE8** Technical Ed.—Auto Body

## **BACKGROUND AND OVERVIEW**

The Antelope Valley College Foundation (the Foundation) is a non-profit organization that benefits, supports, and enhances Antelope Valley College, an 85-year-old community college serving Lancaster, Palmdale, Quartz Hill, and other communities in the Antelope Valley of northern Los Angeles County, California.

The Foundation was founded in 1992, and currently has \$4.5 million in assets, of which \$4 million are invested.

The Foundation's current investment portfolio is held by Payden & Rygel, and is split about 55 percent equities and 45 percent fixed investments.

The Foundation's Finance and Investment Committee oversees the investment portfolio. The objective for the search is to select a firm with a strong emphasis on providing independent investment advisory services and portfolio management guided through an investment policy statement, asset allocation and benchmarks that will be monitored by the Finance and Investment Committee.

The Foundation is also looking at complimentary services the firm would provide that would add additional value to the proposal.

## **SCOPE OF ENGAGEMENT**

The services under review for this proposal are:

- Independent Investment Advisory Services
- Asset Safekeeping
- Value Added Services

After reviewing the proposals, the Foundation may select firms to make a formal presentation. Following the formal presentations, the Foundation may:

- Reject any or all of the proposals
- Issue subsequent RFPs
- Cancel the RFP
- Negotiate with any, all or none of the proposers
- Solicit "best and final" proposals from all or some of the proposers
- Award a contract to or enter into an agreement with one or more of the proposers
- Accept a written proposal as an offer without negotiation; issue notice to proceed

This RFP does not commit the Foundation to negotiate a contract or enter into an agreement, nor does it obligate the Foundation to pay for any costs incurred in the preparation or submission of any proposal or in anticipation of a contract or agreement.

The Foundation reserves the right to contract and/or agree to do business with any one or more of the firms responding to this RFP based solely on its judgment of the qualifications and capabilities of the firms.

## **ENGAGEMENT PERIOD**

The term of the contract should be at least three years with the basis for calculating fees fixed for the first three years. The Foundation reserves the right to terminate the contract at any time with 30 days written notification.

## **INQUIRIES**

Questions relating to this proposal should be directed to:

Dianne Knippel  
Executive Director, Antelope Valley College Foundation  
3041 West Avenue K  
Lancaster, California 93536-5426  
Phone: 661-722-6598 Fax: 661-722-6550  
[dknippel@avc.edu](mailto:dknippel@avc.edu)

## **CONFIDENTIALITY**

All information included along with this questionnaire should be treated as confidential.

## **RESPONDENT INFORMATION**

Please provide your firm's complete name, address, voice telephone number and fax numbers. Please include the name of the principal contact for this proposal and that person's email address.

Please provide a brief history, going back to inception, of your firm and ownership structure. Within the past three years, have there been any significant developments in your organization, such as changes in ownership, restructuring, or personnel reorganizations? Do you anticipate future significant changes in your organization? Include the location of your organization's headquarters.

## **ESTIMATED TIMELINE**

- Proposal Due: October 15, 2015, 1:00 p.m.
- October-November – Review responses
- Nov. 15, 2015 – Finance and Investment Committee approves list of managers to interview
- Nov. 15-Dec. 15, 2015 – Managers make presentations to Finance and Investment Committee
- December 2015 – Committee makes recommendation to the board of directors
- January 2016 – Implement 2nd Quarter of FY 2015-16

## **QUESTIONS**

If your firm's investment advisory process is different than the questions format below, please adjust as necessary.

### **I. Organization and Services:**

1. Provide a summary of your firm and describe the overall financial strength of your company and/or parent company, revenues generated from consulting services, and subsidiary or affiliate relationships.
2. How many analysts are employed by your organization that are responsible solely for investment manager research?
3. How many analysts are responsible for performance evaluations, performance attribution

analysis, manager evaluation and due-diligence, etc.?

4. Is your firm a registered investment advisor under the Investment Advisors Act of 1940? Can your firm provide fiduciary services to its clients?
5. Please provide a full list of consulting services offered by your firm.
6. Describe your “consulting philosophy” (i.e. your role as a consultant).
7. Are there any circumstances specifically related to your investment consulting activities under which your firm, its officers or employees receive direct or indirect compensation from investment managers? If so, describe in detail.
8. Does your firm have a written code of ethics? If so, how is it monitored and enforced? If not, to what ethical tenets do you adhere?
9. Please provide biographies of key individuals within each functional area.

## **II. Investment Policy and Guidelines:**

1. Describe the process you will use to assist us in the development of our spending policies, objectives and guidelines for our portfolio.
2. How do you see the role of the Finance and Investment Committee in this process?
3. Please outline your fiduciary responsibilities in managing the assets. How would you assist the Finance and Investment Committee in meeting its fiduciary responsibilities?
4. Comment on your process for analyzing a client’s portfolio structure and for recommending modifications. Additionally, how active is your management approach towards this portfolio?
5. What process would you use to recommend an asset allocation strategy for our fund? What data is used in your asset allocation model?
6. Discuss your philosophy of diversifying assets according to different investment styles.

## **III. Manager Search/Database:**

1. Please provide a detailed description of your firm’s investment manager evaluation process.
2. Does your firm sell any of its research to outside organizations such as other investment consulting firms or investment managers? If so, how do you control conflicts of interest?
3. Is your database proprietary?
4. Do you subscribe to an outside vendor? If so, provide the name of the vendor.
5. What qualitative factors do you evaluate when researching investment management organizations? How does your firm identify qualitative problems at investment management organizations? How is historical investment performance used in your evaluation of investment managers? How do you verify a manager’s performance composite?
6. Does your investment manager research/evaluation process call for the use of subjective ratings of qualitative factors? If so, please provide a sample of an investment manager rating. Provide a breakout of how the overall rating was derived.
7. How many managers are included in your database? Are managers required to pay your firm either hard or soft dollar fees to be included in your database? If so, how do you control conflicts of interest? Besides performance information, what other types of data are available on your database?
8. Describe the circumstances under which you would terminate an investment manager.
9. What part, if any, do proprietary and non-proprietary mutual funds play in your investment process?
10. What percentage of equity turnover can a client organization expect in its portfolio on an annual basis?
11. How does your firm mitigate conflict of interest? How is this documented? Specifically, if investments are with investment managers that work for your company, how do you evaluate low performers?

#### **IV. Performance Measurement:**

1. Comment on your ability to provide performance measurement reports to suit the needs of the Finance and Investment Committee. How frequently do you provide investment performance measurement reports to the Finance and Investment Committee? Specifically, what types of exhibits would you use in a summary report which would be presented? Please provide some examples.
2. Describe the performance measurement software your firm uses. Is the software proprietary, or does your firm utilize the software of an outside vendor? If your firm uses non-proprietary software, do you have the ability to influence changes to the software to meet the demands of the marketplace and client?
3. What has been your investment performance for the past 1, 3, 5 and 10 year periods? Also include results since July 1, 2011, to present. Compare to indices. Provide returns both before and after fees.
4. Please describe how you monitor the style adherence of investment managers. Specifically, what types of reports would you use?
5. Describe the performance attribution analysis services you would provide.
6. What methods and sources of data do you use in calculating investment performance of a client's portfolio? Do you reconcile your calculated performance with investment managers and custodians? Describe this process.
7. Describe how benchmarks are chosen or developed and how performance is compared to similar portfolios. Can your firm provide custom/style benchmarks and universes? Please list all available universes against which performance and other attributes can be measured. Are the returns in your universe actual client returns or composition returns as reports by managers?
8. How is risk evaluated in your approach to performance measurement?

#### **V. Fee Proposal**

Please indicate all services you propose to provide and their associated fees. Indicate whether your proposal is a fixed annual retainer fee, a fee calculated as a percentage of assets, or a set of itemized fees for specific services.

#### **VI. Additional Information:**

1. Is your firm presently being, or has it within the past five years been sued in a court of law for breach of fiduciary responsibility or for errors and omissions in the handling of client affairs? If so, please explain.
2. Can your firm or an affiliate of your firm provide custodial and fiduciary services?
3. State what you believe distinguishes your consulting services apart from your competitors? Who are your competitors? What services can't your firm provide?
4. What value added services can you provide to the Foundation?
5. Please provide a list of current client references and contacts we can talk to.

#### **VII. Scoring Criteria:**

<b>Criteria</b>	<b>Weight</b>
• Company Information	10%
• Qualifications to provide service	25%
• Relevant experience with similar firms	15%

- Reporting, portfolio evaluation and review of accounts 10%
- Recommended asset allocation 15%
- Research and investment decisions 10%
- Fees 15%