Request For Proposal
RFP # 212-22-002-AMY

Investment Advisory Services

October 12, 2021
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Issue Date: October 12, 2021

Title: Investment Advisory Services

Commodity Code: 94656

Issuing Agency: Commonwealth of Virginia
Virginia State University
Procurement Services
Post Office Box 9214
Petersburg, Virginia 23806

Initial Period of Contract From: Date of Award through 3 Years (Renewable for seven (7) one year periods thereafter)

Sealed Proposals Will Be Received until November 8th, 2021 at 3:00 PM; Local time For Furnishing the Goods/Services Described Herein.

All inquiries for information regarding this Request for Proposal should be directed in to: Anna M. Yates, P.O. Box 9214, Virginia Hall, Room 115, Virginia State University, VA 23806; e-mail: ayates@vsu.edu Ph: (804) 504-4847.

IF PROPOSALS ARE MAILED, SEND DIRECTLY TO ISSUING AGENCY SHOWN ABOVE. IF PROPOSALS ARE HAND DELIVERED, DELIVER TO: VIRGINIA STATE UNIVERSITY, HAYDEN DRIVE, VIRGINIA HALL, PURCHASING OFFICE, 1st FLOOR, ROOM 119; PETERSBURG, VIRGINIA 23806. VISITOR PARKING IS LOCATED IN LOT 7 UNIVERSITY AVENUE.

OPTIONAL VIRTUAL PRE-PROPOSAL CONFERENCE: An optional virtual pre-proposal conference will be held virtually on October 27, 2021 at 11:00 a.m.

In Compliance With This Request For Proposal And To All The Conditions Imposed Therein And Hereby Incorporated By Reference, The Undersigned Offers And Agrees To Furnish The Goods/Services In Accordance With The Attached Signed Proposal Or As Mutually Agreed Upon By Subsequent Negotiation.

* Virginia Contractor License No. _____________________
Class: __________ Specialty Codes: __________________

Name And Address Of Firm: ____________________________________________
_________________________ __________________________
Name: __________________________ Title: __________________________
_________________________ Zip Code: __________
FEI/FIN NO. __________________________ Phone: (_____) __________________________
E-mail: __________________________ Fax: (_____) __________________________

Note: This public body does not discriminate against faith-based organizations in accordance with the Code of Virginia, § 2.2-4343.1 or against a bidder or offeror because of race, religion, color, sex, national origin, age, disability, sexual orientation, gender identity, political affiliation, or veteran status or any other basis prohibited by state law relating to discrimination in employment. Faith-based organizations may request that the issuing agency not include subparagraph 1.e in General Terms and Condition C. Such a request shall be in writing and explain why an exception should be made in that invitation to bid or request for proposal.
TABLE OF CONTENTS

I. PURPOSE PAGE 4

II. BACKGROUND PAGE 4

III. STATEMENT OF NEEDS PAGE 4

IV. PROPOSAL PREPARATION AND SUBMISSION INSTRUCTIONS PAGE 5

V. EVALUATIONS AND AWARD CRITERIA PAGE 8

VI. REPORTING AND DELIVERY INSTRUCTIONS PAGE 8

VII. PRE-PROPOSAL CONFERENCE PAGE 9

VIII. METHOD OF PAYMENT PAGE 9

IX. FEE PROPOSAL PAGE 9

I.
PURPOSE:

Virginia State University is seeking Investment Advisor(s) (herein the “Contractor”) to oversee the day-to-day decision-making over university endowments and unrestricted investments.

II. BACKGROUND

Virginia State University is seeking investment advisory services for approximately $80 million in investments held by the University. This pool includes endowment funds, local funds, and Title III endowments. The University seeks a return objective of at least CPI + 5% for these funds. The current investment policy can be found at the following link:

https://www.vsu.edu/files/docs/policies/1000/investment-policy-statement-1900.pdf

III. STATEMENT OF NEEDS:

A. Requirements:

The Contractor must comply with the following:

1. Contractor must be a registered investment advisor under the Investment Advisor’s Act of 1940. Please attach Part II of your most recent Form ADV.
2. Contractor must comply with the University’s Investment Policy, 4020 – Endowment Investment and Spending Policy.
3. Contractor must comply with the Virginia Investments of Public Funds Act, Chapter 45 (2.2-4500 thru 2.2-4517).
4. Contractor must comply with the Virginia Uniform Prudent Management of Institutional Funds Act, Chapter 11 of Section 64.2 of the Code of Virginia (“UPMIFA”).
5. Contractor must be able to register as eVA vendor to do business in the Commonwealth of Virginia.

B. Description of Services:

The Contractor must be able to provide the following services:

1. Recommend portfolio asset allocations, manager selection and ongoing strategic positioning for multiple asset classes.
2. Oversee qualified investment management firms in multiple asset classes and strategies.
3. Monitor investment manager performance and recommend timely changes.
4. Provide quarterly investment performance reports.
5. Provide monthly account statements.
6. Make annual reports to the Facilities, Finance and Audit Committee of the Board of Visitors.
7. Review Investment Policy annually and recommend changes as needed.
8. Rebalance in accordance with the university’s investment policy.
9. Indicate any recommended changes to the university’s investment policy.
IV. PROPOSAL PREPARATION AND SUBMISSION INSTRUCTIONS:

A. GENERAL INSTRUCTIONS:

1. **RFP Response:** In order to be considered for selection, Offerors should submit a complete response to this RFP. Offerors should submit the following documents with their response:

   a. One (1) original proposal document with all required information listed in the Specific Proposal Submission Instructions Subsection included in a single PDF document.

   b. One (1) redacted version, if applicable. **ONLY ELECTRONIC RESPONSES WILL BE ACCEPTED** and shall be submitted through the eVA Procurement Portal. Proposals received via email and fax will not be accepted.

   If an Offeror needs assistance submitting an electronic response, the Offeror must contact eVA Customer Care at 866-289-7367 or email eVACustomerCare@dgs.virginia.gov.

   It is the Offeror’s responsibility to assure that proposal packages are received by the time and date indicated. Refer to the cover page of this document for the deadline. Any proposals received after the deadline will not be considered. Proposals submitted elsewhere, including to other state or federal agencies, will not be accepted.

   The Offeror shall make no other distribution of the proposal.

2. **Investments RFP Contractor Data Sheet:** Along with the responses required in above Section 1, Contractors must complete the data fields listed in the Microsoft Excel workbook included as an Attachment B to the solicitation entitled “Investments RFP Contractor Data Sheet”.

3. **Proposal Preparation:**

   a. Proposals shall be signed by an authorized representative of the offeror. All information requested should be submitted. Failure to submit all information requested may result in the purchasing agency requiring prompt submission of missing information and/or giving a lowered evaluation of the proposal. Proposals which are substantially incomplete or lack key information may be rejected by the purchasing agency. Mandatory requirements are those required by law or regulation or are such that they cannot be waived and are not subject to negotiation.

   b. Proposals should be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.

   c. Proposals should be organized in the order in which the requirements are presented in the RFP. All pages of the proposal should be numbered. Each paragraph in the proposal should reference the paragraph number of the corresponding section of the RFP. It is also helpful to cite the paragraph number, subletter, and repeat the text of the requirement as it appears in the RFP. If a response covers more than one page, the paragraph number and subletter should be repeated at the top of the next page. The proposal should contain a table of contents which cross-references the RFP requirements. Information which the offeror desires to present that does not fall within any of the requirements of the RFP should be inserted at an appropriate place or be attached at the end of the proposal and designated as additional material. Proposals that are not organized in this manner risk elimination from consideration if the evaluators are unable to find where the RFP requirements are specifically addressed.

   d. As used in this RFP, the terms "must", "shall", "should" and “may” identify the criticality of requirements. "Must" and "shall" identify requirements whose absence will have a major
negative impact on the suitability of the proposed solution. Items labeled as "should" or “may” are highly desirable, although their absence will not have a large impact and would be useful, but are not necessary. Depending on the overall response to the RFP, some individual "must" and "shall" items may not be fully satisfied, but it is the intent to satisfy most, if not all, "must" and "shall" requirements. The inability of an Offeror to satisfy a "must" or "shall" requirement does not automatically remove that Offeror from consideration; however, it may seriously affect the overall rating of the Offerors’ proposal.

c. Ownership of all data, materials, and documentation originated and prepared for the State pursuant to the RFP shall belong exclusively to the State and be subject to public inspection in accordance with the Virginia Freedom of Information Act. Trade secrets or proprietary information submitted by an offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the offeror must invoke the protections of § 2.2-4342F of the Code of Virginia, in writing, either before or at the time the data or other material is submitted. The written notice must specifically identify the data or materials to be protected and state the reasons why protection is necessary. The proprietary or trade secret material submitted must be identified by some distinct method such as highlighting or underlining and must indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. The classification of an entire proposal document, line item prices, and/or total proposal prices as proprietary or trade secrets is not acceptable and will result in rejection of the proposal. If, after being given reasonable time the offeror refuses to withdraw an entire classification designation, the proposal will be rejected.

f. Offerors are responsible to inquire about and clarify any requirement of this RFP that is not understood. ORAL REQUESTS FOR INFORMATION WILL NOT BE ACCEPTED. All inquiries related to the RFP must be submitted in writing to Anna Yates, CPPB, VCO vie email at ayates@vsu.edu. Include “RFP 212-22-002-AMY” in the title of the message.

All written inquiries must be received by the issuing office five (5) business days prior to the due date. NO FURTHER WRITTEN INQUIRIES WILL BE ACCEPTED AFTER CLOSE OF BUSINESS ON THAT DAY. Any change in this solicitation will be made through an addendum that will be posted on the state procurement website at www.eva.virginia.gov.

4. Oral Presentation: Offerors who submit a proposal in response to this RFP may be required to give an oral presentation of their proposal to the agency. This provides an opportunity for the offeror to clarify or elaborate on the proposal. This is a fact finding and explanation session only and does not include negotiation. The issuing agency will schedule the time and location of these presentations. Oral presentations are an option of the purchasing agency and may or may not be conducted.

B. SPECIFIC PROPOSAL INSTRUCTIONS: Proposals should be as thorough and detailed as possible so that the (agency name) may properly evaluate your capabilities to provide the required goods/services. Offerors are required to submit the following items as a complete proposal:

1. Investment Capabilities
   a. Describe your investment philosophy for managing university endowments.
   b. Describe how your firm develops an investment strategy, asset allocations and manager selection in constructing a fully diversified investment portfolio.
   c. Describe the investment team and their investment capabilities. Please include investment team members’ resumes.
d. Describe your process for ongoing manager monitoring and due diligence. What is the firm’s process for meeting and conducting periodic on-site visits with investment managers?

e. Describe your experience in identifying and recommending alternative investments (e.g., venture capital, private equity, real estate and hedge funds). How would you go about ensuring transparency in alternative investment reporting?

f. If selected as Investment Advisor, describe how you would transition the existing investments into a new portfolio?

2. Performance
   a. Show three actual client portfolios with asset allocations and performance showing at least 1, 3, 5 and 10 year returns (gross and net of fees)
   b. Include appropriate benchmarks and other metrics.

3. Diversity
   a. Describe how your firm would actively achieve diversity within the University’s investment pool. How would you identify and vet new managers?
   b. Describe your process for identifying and selecting qualified investment managers. Indicate any minimum requirements in selecting firms?
   c. Indicate whether your firm is certified in Virginia as a SWAM (Small, Women and Minority) business?
   d. What percentage of the firm’s investment team is women-owned and minority-owned?
   e. What percentage of the firm’s employees is women-owned and minority-owned?
   f. Does your firm have a formal diversity and inclusion policy or other initiatives aimed at increasing minority participation? Please provide.

4. Organization/Experience
   a. Provide firm name, address, phone number and other pertinent contact information.
   b. Provide a brief history of your firm, including how long it has been in business and its’ organizational structure?
   c. List relevant experience in advising higher education institutions and nonprofits (include reference names and telephone numbers).
   d. Provide an annual breakdown of total number of clients and total assets under management (“AUM”) over the past 5 years
   e. Provide a sample monthly account statement. Indicate when statements are available after month-end?
   f. Provide an organizational chart and highlight key personnel. Provide resumes for each key professionals.
   g. Indicate any significant past or ongoing litigation, regulatory actions, or government investigations involving your firm with respect to the services you provide.
h. Delineate all applicable insurance coverage by type and level of coverage (e.g., fidelity bond, errors and omissions, fiduciary liability).

5. **University Support**
   a. Provide a history of any support to the university. Indicate any ways in which the firm supports the University.
   b. Indicate any ways your firm might be able to support the university
   c. Has your firm employed any staff or students from the university?
   d. Describe any ways your firm might assist the University in meeting its fundraising goals and objectives.
   e. Provide any relevant examples of how your firm supports higher education and/or other charitable organizations.

6. **Fees**
   a. Provide all-in costs for management of investments, including advisory, manager and custodial fees.
   b. Provide a proposed fee schedule.
   c. How do you ensure competitive fees? Provide any information on recent fee reductions or savings for your clients.

V. **EVALUATION AND AWARD CRITERIA**

A. Proposals will be evaluated by Virginia State University using the following criteria:

   1. Investment Capabilities  25%
   2. Performance              20%
   3. Diversity/SWAM          20%
   4. Organization/Experience 15%
   5. University Support      10%
   6. Fees                    10%

B. **AWARD OF CONTRACT:**

   Selection shall be made of two or more offerors deemed to be fully qualified and best suited among those submitting proposals on the basis of the evaluation factors included in the Request for Proposals, including price, if so stated in the Request for Proposals. Negotiations shall be conducted with the offerors so selected. Price shall be considered, but need not be the sole determining factor. After negotiations have been conducted with each offeror so selected, the agency shall select the offeror which, in its opinion, has made the best proposal, and shall award the contract to that offeror. The Commonwealth may cancel this Request for Proposals or reject proposals at any time prior to an award, and is not required to furnish a statement of the reasons why a particular proposal was not deemed to be the most advantageous (*Code of Virginia*, § 2.2-4359D). Should the Commonwealth determine in writing and in its sole discretion that only one offeror is
fully qualified, or that one offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that offeror. The award document will be a contract incorporating by reference all the requirements, terms and conditions of the solicitation and the contractor’s proposal as negotiated.

VI. REPORTING AND DELIVERY INSTRUCTIONS: This section is mandatory if the anticipated value of the contract exceeds $100,000, to include all renewal periods. When used, this section should identify all documentation, reports, etc., and the specific delivery date for each deliverable item that the contractor must furnish during the contract period. In writing this section, the following typical language is provided as an example:

A. “The contractor shall provide the following documentation to (a specific person or title) for approval by the agency”

B. “The contractor shall provide a (weekly/monthly) progress report to (a specific person or title) outlining the following:”
   1. The specific accomplishments achieved during the reporting period.
   2. The specific tasks completed pursuant to the provisions of the contract and the completion dates of such tasks.
   3. The projected completion dates for the remaining specific tasks required by the contract.

C. “Within thirty (30) calendar days after the award date of the contract, the contractor shall furnish a preliminary outline of the organizational structure of the final report to (a specific person or title).”
   1. The preliminary outline shall delineate the main topics and subtopics that will later be described in detail in the final report.
   2. Beneath each topic and subtopic, the contractor shall furnish a brief narrative description of the subject matter encompassed by the topic or subtopic.
   3. The agency shall have the right to edit, modify and/or rearrange the organizational structure, topics, and subtopics as it deems necessary to insure the inclusion of all work required by the contract.

D. “At least two (2) weeks prior to the submission of the final report, the contractor shall present a preliminary draft of the final report to (a specific person or title). The agency shall have the right to modify and/or to require additional elaboration as it deems necessary to insure a comprehensive and thorough written study of all work required by the contract.”

E. “On or before the date specified in the contract, a final report shall be delivered to (a specific person or title) for its approval. The contractor shall furnish ( ) copies of the final report.”

F. “The contractor shall make at least one (1) oral presentation of the final report to persons or organizations as deemed necessary by the agency.”

VII. PRE-PROPOSAL CONFERENCE:

A. OPTIONAL VIRTUAL PRE-PROPOSAL CONFERENCE: An optional virtual pre-proposal conference will be held via Zoom Meeting on (10/27/2021) at (11:00), EST. The Zoom Meeting information is listed below. The purpose of this conference is to allow potential Offerors an opportunity to present questions and obtain clarification relative to any facet of this solicitation.

https://us02web.zoom.us/j/85751631573?pwd=cER6RU53RVJzVHcra3pwdFh4WEw0dz09
Meeting ID: 857 5163 1573

9 of 10
**Passcode:** 12345

**B.** Please have a copy of the solicitation available prior to the start of the conference. All questions submitted via email, as well as any changes resulting from this conference, which will be issued in a written addendum to the solicitation, will be publicly posted on eVA.

**VIII. METHOD OF PAYMENT:**

Invoices shall be submitted to the University by the 15th of each month for services rendered by the contractor directly to the payment address shown below. All invoices shall reference the contract number and the address below:

Virginia State University  
Attn: Accounts Payable  
P O Box 9075  
Virginia State University, Virginia 23806

**IX. FEE PROPOSAL:**

To be negotiated.