

# SHERIDAN COLLEGE FOUNDATION

## REQUEST FOR PROPOSAL Investment Management Services

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## **SECTION I: BACKGROUND & NATURE OF SERVICES REQUIRED**

### **1. Sheridan College Foundation**

The Sheridan College Foundation, also known as the Northern Wyoming Community College Foundation, is a 501(c)(3) Type I supporting organization established in 1964 to serve the following purposes: Promote, assist and extend financial aid and support to the Northern Wyoming Community College District and its various education programs and services; to provide scholarships, grants in aid, loans to students, operating expenses, capital improvements and any other financial aid and assistance which supports the College.

### **2. Foundation Assets**

The investment of these assets is governed by Wyoming Uniform Prudent Management of Institutional Funds Act & Internal Revenue Code 501(c)(3).

The investment objectives for the endowment assets are to provide income to support current operations, programs and scholarships of the Foundation and Sheridan College and to achieve growth of principal and income over time to preserve or increase purchasing power. The long-term return objective of the endowment is 5% per year above the rate of inflation.

The assets are currently invested among mutual funds, separately managed accounts as well as individual stocks and bonds and valued at approximately \$30 million. See Appendix A.

### **3. Purpose and Scope of Services**

The Sheridan College Foundation is seeking (a) qualified firm(s) to:

- a. Provide prudent investment management of these assets;
- b. Accept fiduciary delegation as per Section 5 of the Uniform Prudent Management of Institutional Funds Act. (UPMIFA)
- c. Create and adhere to an investment policy statement based on the objectives above and in accordance with the [Global Standards of Fiduciary Excellence](#)
- d. Assist the Foundation in adhering to the Global Standards of Fiduciary Excellence

## **SECTION II: PROCESS FOR SUBMISSION OF PROPOSAL**

### **1. Minimum Qualifications for the Proposal**

The proposer(s) and proposing firm must meet all of the following minimum qualifications to be given further consideration. Failure to satisfy any of the minimum qualifications will result in the immediate rejection of the proposal.

- a. The proposer(s) and proposing firm must be registered as an investment advisor under the Investment Advisor Act of 1940. It must be prepared to acknowledge in its service agreement that it accepts fiduciary delegation as per Section 5 of the Uniform Prudent Management of Institutional Funds Act. (UPMIFA)
- b. The proposer(s) AND proposing firm must have been in business at least six (6) years as of December 31, 2014.

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- c. The proposer(s) AND proposing firm must have at least ten (10) clients AND at least \$100 million of assets under management for which it acts in a discretionary fiduciary capacity for a minimum of three years.
- d. The firm must carry adequate fiduciary liability insurance coverage or must commit to obtain it before a contract is entered into with Sheridan College Foundation.
- e. The proposer must meet the eligibility requirements under ERISA 411. (Appendix B)

## **2. Preparation and Submission of Proposal**

### **Format for Proposal**

The proposal must be page numbered and organized in the following format:

- a. Cover Letter
- b. Response to Questionnaire
- c. Additional Documents and Materials
- d. Fees

### **Cover Letter**

The individual(s) who is (are) authorized to bind the proposer contractually must sign a cover letter, which will be considered an integral part of the proposal. An unsigned cover letter may cause the proposal to be rejected. The cover letter must contain the following:

- a. The name, title & position, telephone number and email address of the individual signing the cover letter.
- b. A statement indicating that the proposer(s) and proposing firm meet the minimum requirements.
- c. The name, title & position, telephone number and email address of the primary contact for the proposal, if different from the individual signing the cover letter.

### **Response to Questionnaire**

Please respond to all questions in the order that they are presented in Section III of this Request for Proposal. Indicate the question number and restate the question prior to providing your response. Provide any additional comments or information that you deem appropriate.

Please be clear and specific in your responses to the questions. Incomplete or misleading responses may lead to rejection of the proposal and elimination of the Proposer(s) and proposing firm from the search process. The Sheridan College Foundation reserves the right to waive or permit correction of any minor inconsistencies, errors or omissions prior to the final evaluation of the proposal, and to ask for clarification on any issues, or to take any other measures with respect to this RFP in any manner necessary to serve the best interests of the Foundation.

### **Cancellation of RFP**

The Sheridan College Foundation reserves the right to cancel this RFP at any time, and to reject any and all proposals submitted in response to this RFP if Sheridan College Foundation determines such action or actions are in the best interest of the Foundation. This RFP in no manner obligates Sheridan College Foundation to the

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eventual procurement of services until confirmed by a written contract. Progress toward this end is solely at the discretion of Sheridan College Foundation and may terminate at any time prior to the signing of a contract.

This procurement and any agreement with proposers that may result shall be governed by the laws of the State of Wyoming. Submission of a proposal constitutes acceptance of this condition.

### **Submission of RFP**

Please submit one (1) complete electronic copy via e-mail and one (1) hard-copy via mail to:

Mark Mensack  
108 Weston Drive  
Cherry Hill, NJ 08003

Email: [SheridanCollegeFoundation.RFP@gmail.com](mailto:SheridanCollegeFoundation.RFP@gmail.com)

The deadline for submission of the proposal via email and/or hardcopy is **8 P.M. EST on February 13, 2015**. No proposal will be accepted after this time. A proposal may be withdrawn and resubmitted prior to the proposal deadline. Any cost incurred in the preparation, submission or presentation of the proposal will be borne solely by the Proposer. Proposals will not be returned at the conclusion of the RFP process. No proposal will be accepted by a proposer or proposing firm if notice of intent is not received.

### **3. Timeline for Search and Selection Process**

Dec 15	RFP publically distributed
Jan 16	Notice of Intent due via e-mail to <a href="mailto:SheridanCollegeFoundation.RFP@gmail.com">SheridanCollegeFoundation.RFP@gmail.com</a>
Feb 5	Deadline for questions or clarifications
Feb 13	Deadline for submission of proposals
Feb 27	Finalists Announced
@ Mar 11	Interviews with finalists in Sheridan Wyoming
@Mar 16	Final Selection Announced

***The Sheridan College Foundation will make best efforts to follow this timeline, but reserves the right to amend it as necessary.***

### **4. Inquiries and Communications**

Sheridan College Foundation has engaged Mark D. Mensack, LLC. to assist in the RFP and selection process. We ask that you please refrain from contacting Sheridan College Foundation Staff or Board Members during the search process. All questions regarding the intent or content of this RFP or the proposal process must be directed in writing to Mark Mensack via email at [SheridanCollegeFoundation.RFP@gmail.com](mailto:SheridanCollegeFoundation.RFP@gmail.com)

In order to avoid any potential conflict of interest, an evaluation period is immediately in effect which applies to any interested service provider, including current service providers. During the evaluation period Sheridan College Foundation Staff and Board Members will not accept meals, travel, hotel, or other types of gifts from any interested service provider or communicate with a service provider with respect to the subject matter of this RFP.

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## SECTION III: INFORMATION TO BE PROVIDED

### PART A: QUESTIONNAIRE

#### History, Ownership and Organization of the Firm

*(Questions marked with an asterisk do not apply to firms with more than 50 employees.)*

1. Please provide a brief history of the firm including:
  - a. When was the firm established, and who were the founders?
  - b. If the firm was subsequently acquired by another company or companies, what are the details?
  - c. Please provide the name and address of any parent firm and all subsidiary and affiliated companies.
  - d. Have there been any significant changes in the proposer's ownership, structure or organization over the past three years? What significant changes, if any, do you anticipate in the future?
2. Please indicate the current number and positions of professional staff members.\*
3. Please indicate the total turnover in professional staff during the last three years: hired, terminated, resigned, retired.\*
4. What is the average number of clients per Adviser? Does the firm have a maximum limit on the number of clients assigned per Adviser?\*
5. What professional designations do the professional staff members currently hold?\*
6. Please list the location of all offices and the number of employees in each office.\* Indicate the office which would service this account.
7. What ongoing annual training and/or education must these staff members complete?
8. How many professional staff will be assigned to this account?
9. How will these staff members be compensated; salary, bonus, commission, other?
10. Please provide the following information on the staff members to be assigned to this account:
  - (a) Name
  - (b) Title
  - (c) Role
  - (d) Years of experience with fiduciary clients
  - (e) Years of investment consulting experience
  - (f) Years with the firm
  - (g) Dossier
  - (h) Number of accounts as lead consultant
  - (i) Number of accounts as support consultant

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11. Explain how the consulting team assigned to this plan would function, including primary consultant, back-up, quality control and support services.

## **Investment Philosophy**

12. How would the proposer achieve the Foundation's long-term return objective of 5% per year above the rate of inflation? Note: The Foundation requires enough liquidity to make annual distributions of approximately 5%. Please include the strategy as well as the type(s) of investments to be utilized.

The primary objectives of this RFP is to enhance Sheridan College Foundation's adherence to the Global Standards of Fiduciary Excellence and to take advantage of Section 5 of the Uniform Prudent Management of Institutional Funds Act. A "Manager of Managers" strategy will be considered so long as the proposer meets these two objectives. Sheridan College Foundation is not opposed to a qualified proposer incorporating within its proposal any of our current investment managers.

13. What are the key issues to consider in establishing investment policy for a fiduciary client?
14. What is the proposer's philosophy on active vs. passive management?
15. Describe the proposer's investment philosophy regarding alternative investment options (such as commodities, derivatives, mortgage securities, socially responsible funds, etc.).
16. What processes or tools are used to design and monitor investment portfolios? Please provide a performance report for the 1, 3 and 5 year timeframes of the proposer's portfolios, if applicable.
17. Is the portfolio asset allocation model internally developed, or is it licensed or provided from one or more third-party vendors? Please provide the names of the third-party vendors if any.
18. What is the proposer's approach to rebalancing and making tactical changes to asset allocations?
19. How does the proposer monitor or track the compliance of the portfolio with the client's Investment Policy Statement?
20. What due diligence criteria are used for selecting investment options and service providers?
21. What quantitative and qualitative factors are used to select and monitor investment options and service providers? How often are they reviewed?
22. What is the proposer's philosophy of using investments with limited coverage of transparency such as group annuities, collective investment trusts, & sub-advised funds?

## **Fiduciary Experience**

23. What expertise does the proposer(s) and proposing firm have regarding the [Global Standards of Fiduciary Excellence](#)? Are there any specific criteria for which your firm is willing to take responsibility? Are there any specific criteria for which your firm does not take responsibility?
24. How would proposer assist the Foundation in adhering to the Global Standards of Fiduciary Excellence?
25. Are any of the proposer's clients certified by CEFEX? (Centre for Fiduciary Excellence)
26. How would you suggest that the Foundation measure and evaluate the potential performance of your firm as a fiduciary investment manager relative to Section 5 of the Uniform Prudent Management of Institutional Funds Act. (UPMIFA)?

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27. Please provide a breakdown of the proposer’s fiduciary relationships:

Type of Fiduciary Client	Number of Discretionary	Discretionary AUM	Number of Non-discretionary	Non-discretionary AUM
ERISA DB plans				
ERISA DC plans				
ERISA DC plans, serving as a 402(a) “named fiduciary.”				
ERISA DC plans, serving as a 3(38) “investment manager”				
Public DB plans				
Public DC plans				
Taft Hartley				
403b/ Church Exempt				
Accounts governed by UPIA				
Accounts governed by UPMIFA				
Accounts governed by UMPERSA				
Other: _____				
Other: _____				

28. Please provide a breakdown of the length of your current client relationships for which the firm acts in a fiduciary capacity. (Discretionary/Non-discretionary)

Type of Fiduciary Client	< 1 Year	1-5 Years	5-10 Years	10+ Years
ERISA DB plans	/	/	/	/
ERISA DC plans	/	/	/	/
ERISA DC plans, serving as a 402(a) “named fiduciary.”	/	/	/	/
ERISA DC plans, serving as a 3(38) “investment manager”	/	/	/	/
Public DB plans	/	/	/	/
Public DC plans	/	/	/	/
Taft Hartley	/	/	/	/
403b/ Church Exempt	/	/	/	/
Accounts governed by UPIA	/	/	/	/
Accounts governed by UPMIFA	/	/	/	/
Accounts governed by UMPERSA	/	/	/	/
Other: _____	/	/	/	/
Other: _____	/	/	/	/
Other: _____	/	/	/	/

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29. How many fiduciary client relationships were terminated within the last three years?

- (a) Why was the relationship terminated?
- (b) What was the total value of those assets?

### **Conflicts of Interest**

30. Please disclose any potential conflicts of interest that may arise from the firm accepting this engagement, including the activities of any affiliated, subsidiary or parent company.

31. Has the firm or anyone in the firm provided any gifts or other remuneration, or paid any expenses for travel, hotel, meals or entertainment for or on behalf of any Sheridan College Foundation Board or Staff member during the past 12 months. If so, please describe the amount and purpose of the expenses.

32. Please describe the nature of any professional relationship that the firm or anyone in the firm has had with any Sheridan College Foundation Board or Staff member during the past three years.

33. If the firm or any affiliate provides non-fiduciary services, please explain briefly what policies or procedures the firm has established to avoid or limit any potential conflicts of interest that could arise from accepting this engagement.

34. Does the proposer or the proposing firm or an affiliate receive any compensation from 3<sup>rd</sup> parties, including but not limited to: (i) charges for inclusion in proposer's database, (ii) conference fees, (iii) brokerage commissions, etc.? If so, please describe briefly the nature of these services and compensation.

35. Does the firm have any arrangements with broker-dealers under which it, or an affiliated company, will benefit if investment managers place trades for their clients with such broker-dealers?

36. Does the firm accept any sort of revenue sharing to include, but not limited to 12b-1 fees and Sub-TA fees. If so, please explain briefly how these payments are used and accounted for.

### **Litigation and Insurance**

37. Has the firm, or any officer, principal, or employee of the firm or an affiliated company, ever been investigated and/or charged by the Securities and Exchange Commission ("SEC"), the U.S. Department of Labor ("DOL"), or any other regulatory authority for violation of applicable laws? If so, please explain.

38. Has the firm, or any officer, principal, or employee of the firm, ever been involved in any business litigation or other legal proceeding including bankruptcy? If so, please explain and indicate the current status of the litigation.

39. Does the firm, or any officer, principal, or employee of the firm, have any lawsuits pending against it concerning the delivery of investment consulting or related services for any client? If yes, please explain.

40. Please provide the level of coverage that the firm carries for errors and omissions insurance, fiduciary or professional liability insurance, and/or fidelity bond. For each type, please indicate:

- (a) Amount
- (b) The name of the issuer.
- (b) Whether the coverage is on a per client basis or applies to the firm as a whole.

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## Service Providers

41. In the past 36 months, how many services provider (Custodian, Brokerage, money managers, etc.) searches have you conducted for existing clients? Please describe your search process to include benchmarking and quantitative & qualitative considerations.

42. How often does the proposer review service provider agreements to ensure they are consistent with applicable governing documents?

43. List the top three brokerage firms and custodians with whom the firm has clients. Please include the number of clients and amount of assets with each. Are any of these service providers outside of US jurisdiction?

## PART B: ADDITIONAL DOCUMENTS AND MATERIALS

Please submit a copy of the following additional materials and documents pertaining to the proposer(s) and/or proposing firm. *These documents, where applicable, will carry significant weight in the selection process.*

- The latest Annual Report or Statement of Financial Condition.
- The most recently filed SEC Form ADV, Parts I and II.
- Service agreement(s) used when accepting fiduciary delegation?
- Policies and procedures related to: Conflict of Interest; Code of Ethics; Conducting RFP/RFI's for service providers; Disaster Recovery Plan; Safeguarding customer records and information; Communicating critical information such as changes in ownership, organizational structure or personnel in a timely manner; Revenue sharing; Accounting for and controlling investment expenses and asset placement fees that impact Client accounts; Soft dollars, Commission recapture, Servicing a fiduciary client Best execution and proxy-voting used by Separate Account Money Managers (if applicable)
- A sample Investment Policy Statement the firm has developed when accepting fiduciary delegation.
- The proposer's standard marketing brochure(s) describing its services and/or products.
- Any other information necessary to gain a complete understanding of the proposer(s) or firm and the services provided.

If selected as a finalist, please be prepared to provide as reference the names of three (3) clients for which the firm has accepted discretionary fiduciary delegation of more than \$10 million for at least three years.

## SECTION IV: FEES

Please include an itemized breakdown of all fees and expenses including, but not limited to advisory fee, and investment expense including any transactions costs.

The proposed fees shall be guaranteed for a minimum of two years after which any changes can be negotiated with Sheridan College Foundation. The method of payment will be set forth in the contract. Once the consultant is selected, the fee may be negotiated further depending on the variance from other proposals received. In no case will the negotiated fee be higher than the fee contained in this proposal.

All questions regarding this RFP can be e-mailed to [SheridanCollegeFoundation.RFP@gmail.com](mailto:SheridanCollegeFoundation.RFP@gmail.com)

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**APPENDIX A – Current Foundation Assets**

June 30, 2014 Assets	Individual Securities	MFs / SMAs
\$9,313,076	50%	50%
\$8,262,395		100%
\$2,570,939	100%	
\$1,540,834	100%	
\$4,750,086		100%
\$3,632,221.00		100%
\$1,006,277		100%
<b>\$31,075,828</b>	<b>\$8,768,311</b>	<b>\$22,307,517</b>

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## APPENDIX B: ERISA 411 Eligibility Requirements to Serve as a Fiduciary

Have you ever committed robbery?

Have you ever committed bribery?

Have you ever committed extortion?

Have you ever embezzled funds?

Have you ever committed fraud?

Have you ever committed grand larceny?

Have you ever committed burglary?

Have you ever committed arson?

Have been convicted of illegal use of drugs?

Have you ever committed murder?

Have you ever committed rape?

Have you ever committed kidnapping?

Have you ever committed perjury?

Have you ever assaulted someone with the intent to kill?

Have you ever committed ANY crime described under the Investment Company Act of 1940?

Have you ever knowingly violated ERISA in any way?

Have you ever committed a violation of the anti-kickback provisions of the Labor Management Relations Act of 1947?

Have you ever committed mail fraud, wire fraud, RICO conspiracy, knowingly filing false statements, jury tampering, obstruction of justice, or accepting kickbacks as an ERISA fiduciary?

Have you ever violated the Labor Management Reporting and Disclosure Act of 1959?

Have you misused any position of authority you might have held for the illegal gain at the expense of members, participants, or beneficiaries?

Have you ever conspired or attempted to commit any of the above?

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