

Pre bid Minutes and Vendor Q&A

Pre Bid meeting for Investment Services Chesapeake College Foundation RFP

March 17, 2023

11:00 AM

Via Zoom

In Attendance:

Karen Smith – Chesapeake College Vice President for Administrative Services

Amber McGinnis – Chesapeake College Director of Development and Executive Director of College Foundation

Doug Gill- Chesapeake College Foundation Board Member

Tracy Brinckerhoff – Chesapeake College Director of Budget and Finance

Company that requested Zoom Instructions for Foundation RFP
Pivotal Operations Practice LLC
Truist
Decision Tree Financial
Murray, McGehrin & Shiery
Casi Investments
STRATEGIQ
Whitten Retirement Solutions affiliated with LPL Financial
PFM Asset Management
Captrust
Beacon Pointe
Rose Capital Advisors
Fisher Investments
Graystone Consulting
Northern Trust
Matoka Forbes

Review of Timeline- Karen Smith

Timetable

•**March 5, 2023** Advertisement placed in Star Democrat, college website and E Maryland Marketplace

•**March 17, 2023** Pre bid Meeting – at 11:00 A.M.

Via Zoom

To register for Zoom meeting, email dcarroll@chesapeake.edu

•**March 21, 2023** Cut off for questions 1:00 p.m. Email questions to ksmith@chesapeake.edu

•**April 3, 2023** Due date for proposals. All proposals are due via email by **2:00 P.M. EST**

Karen Smith, Vice President for Administrative Services

ksmith@chesapeake.edu

□ **April 14, 2023** Interviews/Presentations by selected firms with College Foundation

RFP Selection Committee. Firms will be notified if selected for an interview no later April 7, 2023.

•**May 10, 2023** Anticipated approval and award of contract by the College Foundation Board

Each bidder must submit one electronic version (via email) for review by the Foundation evaluation committee of the final proposal. The electronic proposal should be submitted via email to ksmith@chesapeake.edu as one PDF document.

Opening Remarks - Amber McGinnis

Vendor questions for CCF Investment Services RFP

Section III.E. of the Investment Policy statement references an annual spending policy of up to 6% *in excess of* inflation—is this correct? This would translate into a 12%+ nominal spending rate in today’s environment.

We very rarely see endowments or foundations with spending policies in excess of a 5% nominal rate per annum.

That statement is technically correct within the Chesapeake College Foundation’s current Investment Policy. However, that has not been the disbursement practice of late, despite the current extraordinary economic conditions. In FY23, the Foundation dispersed 4.5% from its funds. For FY24, the finance committee is recommending—to the Foundation Board for its consideration—a 4.25% disbursement for funds with a 1% administrative fee disbursement in addition. The Foundation will welcome feedback or suggested revisions on its investment policies from its new investment services vendor.

What is the current asset value of the portfolio? As of February 28, 2023, market value in main Schwab account \$7,147,863, with the value in the 2nd Schwab account (T-bill) \$509,495.

What is the makeup of the portfolio investments currently? The portfolio currently consists of Exchange Traded Funds (ETFs) and Separately Managed Accounts (SMAs). There are no “Alternative Investments” like hedge funds or private equity, but there are thematic fund investments, for example in Infrastructure.

Are you able to share performance history? We will not be sharing performance history

Who the current custodian of the investment account? Charles Schwab & Co. Inc. is our custodian

What period of time are you looking for a contract for? Please refer to page 7 of the RFP. “The firm should be prepared to begin work on or before July 1, 2023. The Foundation is seeking a five-year relationship with an option to renew for two additional years if firm performance is satisfactory and the renewal is recommended by the Finance committee of the Foundation Board of Directors.”

What is preferred method of response? The proposal content for submission is listed on page 7 of the RFP. It is up to each firm to determine how they want to prepare and present their proposal to the RFP.

Why RFP now, what is good/bad about current provider. The Chesapeake College Foundation routinely undergoes an RFP for Investment Services every 5 years.

Would the Foundation be open to a new custodian, and if so, would you like a custody proposal included in our RFP response? We are currently with Charles Schwab. If your proposal requires a new custodian, please note that in your proposal.

Would the Foundation be open to a discussion or other recommendations for the investment objective and benchmark that will be used to measure the investment performance of the investment manager’s asset allocation?

After the award of this contract, the Foundation would welcome discussing investment objectives and benchmarks. We do feel it is time to review our investment policy statement and would appreciate recommendations on appropriate objectives, benchmarks, and asset allocations as part of that review.

Would the Foundation be open to changes in the asset allocation ranges that are illustrated in the investment guidelines on pages 14 and 15 of the RFP?

After the award of this contract, the Foundation would welcome discussing investment objectives and benchmarks. We do feel it is time to review our investment policy statement and would appreciate recommendations on appropriate objectives, benchmarks, and asset allocations as part of that review.

Is there a reason that you have issued this RFP? The Chesapeake College Foundation routinely undergoes an RFP for Investment Services every 5 years.

Are you seeking services that you do not currently receive? No, but we are open to new investment ideas or service recommendations from our provider.

What does your current advisor do really well? This information is not part of this RFP.

What could your current advisor do better? This information is not part of this RFP.

Are you willing to share your performance information so that we can compare to our strategies? We will not be sharing performance history

If you decide to change advisors, do you think there would be a defining reason or factor that led to the change? **Our evaluation tool for all bidders places a heavy emphasis on qualifications and experience (portfolio managers qualifications and experience of firm with other nonprofits), as well as the financial proposal (fee structure).**

RFP Qualifications:

“Cost proposal: A detailed breakdown of all costs associated with the transition of the relationship (costs to liquidate current components of the portfolio, if proposed or required). This is necessary for both the current portfolio manager as well as others making a proposal.”

To answer the question related to liquidating the current components of the portfolio, can you provide a current brokerage statement or another document that lists your investments? This will help us to provide a more complete response so we know what might be sold. **We will not provide a current brokerage statement; this is a tax-free portfolio.**