MASSACHUSETTS COLLEGE OF LIBERAL ARTS

REQUEST FOR PROPOSALS

For

Investment Management Services

Issued by:

Massachusetts College of Liberal Arts
The Office of the Vice President, Administration & Finance

RFP 2023-001

August 11, 2022

Proposals due on September 9, 2022, by 2:00 PM (EST)

William Norcross
Purchase Manager – Administration & Finance
375 Church Street
North Adams, MA 01247

OVERVIEW

Since our inception as the Normal School in North Adams in 1894, Massachusetts College of Liberal Arts (MCLA) has provided educational access and exceptional learning opportunities to generations of students and alumni.

In addition to our 127-year commitment to public education, we have fortified our commitment to equitable academic excellence. For nine of the last 11 years, MCLA has been named a Top Ten College by U.S. News and World Report. MCLA also appears on the organization's list of top National Public Liberal Arts Colleges and has risen to #21 as a Top Performer on Social Mobility and first among all Massachusetts schools, which measures how well schools graduate students who receive Federal Pell Grants.

MCLA has a total enrollment of just over 1,400 students with nearly 340 graduate and post-baccalaureate students. MCLA offers 23 undergraduate majors, three graduate degrees, and four-degree completion programs.

At MCLA, we are here for all – and focused on each – of our students. Classes are taught by educators who care deeply about teaching and about seeing their students thrive on every level of their lives. In nearly every way possible, the experience at MCLA is designed to elevate our students as individuals, as leaders, and as communicators, fully empowered to make their impressions on the world.

MISSION STATEMENT

As an advisory council to the Board of Trustees of Massachusetts College of Liberal Arts, the Investment Advisory Council shall provide advice to the Board's Fiscal Affairs Committee regarding the management of the College's investments. The Council's responsibilities shall include, but not necessarily be limited to, the approval of fund investment guidelines, objectives and spending policies, and the review of the selection of investment advisers and consultants and the review of the performance of investments.

INTRODUCTION

Massachusetts General Laws Chapter 15A provides that Massachusetts College of Liberal Arts Board of Trustees (BOT) has the authority to establish and maintain trust funds. A concurrent responsibility of the management of the funds is the thoughtful investment of trust fund monies. The Investment Policy (Attachment A) is intended to guide the Trustees and the College Administration in the investment of designated cash balances held in College trust accounts.

The objective is to establish and maintain an investment portfolio for the College's cash flow requirements and principal growth of certain fund balances.

It is anticipated that an initial investment of approximately $10 million will be placed with the selected investment management firm. The College is separate from Massachusetts College of Liberal Arts Foundation.

The primary objectives of the College's Investment Policy are to provide safety of principal, liquidity for operating needs, return on investment, and diversification of risk. The College will seek a conservative portfolio structure relying on a blend of index and managed funds, though the exact investment strategy and mix will be determined once an advisor is selected and in consultation with the Investment Advisory Council.

The administration of the College's funds must comply with Massachusetts General Law Chapter 73, Section 14 which states "The Trustees shall administer property held in accordance with special trusts, and also administer grants or devises of land and gifts or bequests of personal property made to the Commonwealth for the use of a state university, and execute said trusts, investing the proceeds thereof in notes or bonds secured by sufficient mortgages or other securities."

The selected bidder will be required to assume responsibility for all services offered in this proposal. Further, the College will consider the selected bidder to be the sole point of contact regarding all contractual matters.

SCOPE

Only institutions currently managing a minimum of $20 million in assets will be considered acceptable to make a proposal. Those assets must include public, private, and non-profit funds. We are looking for combined advising and management for our portfolio.

The investment policy and procedure should follow the "Prudent Person Principle" for investing. Alternative forms of investment (such as private equity, for example) although not prohibited by the Investment Policy, are not likely to be approved as an element of our investment strategy.

The College expects to see reporting daily (upon request), monthly (upon request), and quarterly. For reporting, institutions should be website capable for daily information. Formal written reports can be provided at the period requested by the College. It is also expected the Investment Advisory Council will meet with MCLA's Board of Trustees periodically, likely twice a year, perhaps quarterly if desired. The Investment Management firm will meet periodically with the Investment Advisory Council to present information on performance of the investments.

There are no specific return targets initially, but it is expected targets will be established. Institutions shall provide history of returns per investment approach recommended.

MINIMUM QUALIFICATIONS

Proposal Response

Please provide the following information and refer to the appropriate section in your submission:

Complete the Excel spreadsheet entitled “Investment RFP Statistical and Financial Template” included in Appendix A using the following instructions.

Insert answers in un-shaded blocks only (shaded blocks are restricted).

The following columns are labeled as follows. If your answer is:

(1) Check box – Insert “X”
(2) Yes (Y) or No (N) – insert Y or N
(3) Dollar amount – insert dollar amount in millions
(4) Number – insert number up to one decimal e.g., XX.X
(5) Percentage – insert percentage up to one decimal e.g., XX.X%
(6) Comments – if more space is needed, use additional sheet noting the section responding and label Appendix A Addendum

Please provide your investment performance record for the past ten calendar years **[label Appendix B]** showing annual and compound returns on a time-weighted basis for each investment strategy proposed; gross and net of fees. If possible, differentiate between income and appreciation. Provide the benchmark that should be used for comparison and its performance record for the past ten calendar years. Include a brief description of the investment objectives for each investment strategy proposed. Include the record of those accounts, or composites, that reflect your management approach to a portfolio of our size and purpose.

Attach a fee schedule (Pricing Proposal) **[label Appendix C]** which includes fee examples for a fund of our size and purpose. Please also identify any fees associated with mutual funds that may be included in our portfolio. Finally, please identify all fees, including but not limited to, “pass-through” fees that should be considered in any fee review.

What is your philosophy and practice regarding ongoing communication and reporting to the management and governance bodies of the College? Please submit samples of all statements to be provided to the College **[label Appendix D]**.

Provide audited financial statements for the past three completed fiscal years and a statement indicating whether the company has been profitable for the three prior fiscal years (and parent company, if applicable) **[label Appendix E]**.

Include the following information in your Technical Proposal:

A brief history of the firm since its inception: founding date, size, purpose, funds under management, alliances, and professional memberships/affiliations. Is the firm engaged in any business other than asset management?

Describe the management team that would be assigned to this portfolio and how it would function. Please provide brief background profiles on the key individuals.

What steps has your firm taken to address the issues raised by the Sarbanes Oxley Act of 2002?

Describe your firm's experience with higher education institutions that have similar characteristics and needs to that of Massachusetts College of Liberal Arts. What percent of your clients are higher education institutions and what percent of the funds your firm has under management are higher education institutions? What is the aggregate value and percentage of higher education assets under management?

Explain your firm's investment decision-making process. Specifically identify any matrix or economic models utilized in buy/sell decisions.

Indicate how benchmarks will be determined. Will customized benchmarks be developed or will you use industry standards?

How do you measure and control risk? How do you measure performance?

Does your firm utilize index funds as a management tool? Are there any fee savings for their use?

Describe any insurance coverage maintained by your company in the event of loss due to employees' malfeasance or fraud.

Exceptions: please provide a detailed description of any exceptions to the requirements of this RFP.

Appendix

A. Investment RFP Statistical and Financial Template
B. History of Investment Performance
C. Fee schedule (Pricing Proposal)
D. Sample reports
E. Audited financial statements for past three completed fiscal years
F. ADV Filings – Form I, II
G. Other firm information (optional)
H. Required Forms

Expression of Interest

If your company is considering submitting a proposal in response to this RFP, please email William.Norcross@mcla.edu of your intent to participate. Please include in your email:

Your Name
Title
Company Name
Telephone Number
Email Address
Fax Number

Submission of your interest is not a prerequisite for submitting a proposal, but it is necessary to ensure future communication regarding this RFP.

SELECTION PROCESS

A Selection Committee will meet to review the proposals submitted in response to this Request for Proposals. Each proposal submitted must be signed by an official of the institution who is authorized to bind the offer. The solicitation for proposals does not commit Massachusetts College of Liberal Arts to award a contract to pay any cost incurred in the preparation of the proposal. The College reserves the right to select any proposal it deems in its best interest. Further, the College may accept or reject any or all proposals received and waive any formalities in the evaluation process.

Criteria to be used in the evaluation process include, but are not limited to, the following:

a. The greatest value with respect to the bidder's response and its material content and responsiveness to the requirements of this RFP.
b. The quality of the services offered.
c. The general reputation of the firm.
d. The qualifications of the personnel assigned to work on the project.
e. The demonstrated understanding of the respondent of conducting the work as required by the scope of the service.
f. The bidder's functionality, performance, flexibility, and ability to meet the goals of Massachusetts College of Liberal Arts.

A rating system of highly advantageous, advantageous, not advantageous, and unacceptable will be utilized in reviewing TECHNICAL PROPOSALS. PRICING PROPOSALS will be opened after the review and rating of the TECHNICAL PROPOSALS is completed. The College will select the company offering the best value to the College, not necessarily the lowest price.

The College, at its discretion, may request responding vendors to make oral presentations. The College will schedule the time and location if presentation is deemed necessary.

CONTRACT

The contract term shall be for three years with the possibility of two annual renewals at the discretion of the College for a maximum of five years. The implementation date shall be as soon as practical. The College may negotiate such additions, deletions, or changes as may be necessitated by law or changed circumstances. The successful respondent is encouraged to present new or enhanced products and services for consideration by the College during the life of the Agreement.

The College reserves the right, in its sole discretion, to terminate the contract that results from this RFP with thirty (30) days written notice to the successful company should the Agreement no longer be deemed beneficial to the College.

State law prohibits the College from agreeing to indemnification of the contracted party. Additionally, it is mandatory that the Commonwealth of Massachusetts laws apply to the performance of the contract and that jurisdiction and venue be in Boston, Massachusetts for State and Federal courts.

PROCESS SCHEDULE

Issuance of Request for Proposal	August 11, 2022
Submission of Questions	August 19, 2022
Responses to Questions	August 26, 2022
Submission of Written Proposals	September 16, 2022, at 2:00pm
Oral Presentations (if necessary)	September 22, 2022
Final Selection	September 2022
Finalize Contract	October 2022
Implementation	On or about mid-October, 2022

SUBMISSION OF PROPOSALS

Completed proposals, both Technical Proposal and Pricing Proposal, must be received by 2:00 PM EST, September 16, 2022 to:

William Norcross
Purchasing Manager
Massachusetts College of Liberal Arts
Administration and Finance
375 Church Street
North Adams, MA 01247

Any responses received after this time shall be considered non-responsive. You will submit two separate proposals, one (1) Technical Proposal and a separate Pricing Proposal. These proposals must be **clearly** identified as such on the outside of the envelope containing each document. Failure to follow these instructions could result in a proposal deemed non-responsive.

Technical Proposal

Please provide **one** original paper response and 4 copies to facilitate our evaluation process as well as an electronic copy on one flash drive (separate from the Pricing Proposal).

Pricing Proposal

Please provide **one** original paper response and 4 copies to facilitate our evaluation process as well as an electronic copy on one flash drive (separate from the Technical Proposal).

All communication regarding this Request for Proposal shall be directed to William Norcross, Purchasing Manager – Administration and Finance. He can be reached at William.Norcross@mcla.edu. Failure to follow this instruction shall result in immediate disqualification of the interested party.

Questions and inquiries should be emailed to William.Norcross@mcla.edu and must be submitted by August 19, 2022, no later than 2:00pm. The subject line should be **Investment Management Services RFP 2023-001.** Any oral communication shall be considered unofficial and non-binding on the College. Written responses will be copied to all respondents submitting an expression of interest.

As a public institution we are subject to all State and Federal regulations regarding the release of public records and information.

Required Proposal Information and Format

Technical Proposal

1. Brief transmittal letter
2. Statement of Qualifications
3. Description of Services and Miscellaneous Information
4. Technical Proposal must be thirty-five (35) pages or less

Pricing Proposal

1. Cost of each service
2. Statement of Ongoing Fees
3. Other Pricing Information

ATTACHMENT A.

Massachusetts College of Liberal Arts: Investment Policy

INVESTMENT POLICY

GENERAL INVESTMENT PHILOSOPHY

Chapter 15A of Massachusetts General Laws provides the Massachusetts College of Liberal Arts Board of Trustees (Board) the authority to establish and manage trust funds. This Investment Policy is intended to guide the Trustees and College Administration in the investment of fund balances held in various College accounts.

In recognition of its fiduciary responsibility, the Board has adopted the investment management guidelines listed below. These guidelines relate to fund balances held in various College accounts that are not appropriated by the Commonwealth of Massachusetts. The Board has appointed an Investment Advisory Council (the Council) to supervise the management of funds. As an advisory council to the Board, the Investment Advisory Council shall provide advice to the Fiscal Affairs Committee regarding the management of the College's investments. The Council's responsibilities shall include, but not necessarily be limited to, recommending the approval of fund investment guidelines, objectives and spending policies, and the review of the selection of investment advisers and consultants and the review of the performance of investments.

Based on a majority vote, the Council shall recommend to the Board appropriate investment decisions for their action to achieve the objectives within the guidelines outlined in Section I.

I. INVESTMENT GUIDELINES

The Council and any advisors it engages shall follow these guidelines to manage the various funds to preserve and enhance, in real dollar terms, the principal capital and, at the same time, to create and realize a source of income for the operating and capital needs of the College.

a. Preservation of Capital and Safety of Principal – Investment of Massachusetts College of Liberal Arts funds shall be undertaken in a conservative manner that seeks to ensure the preservation of capital and safety of principal.

b. Minimizing Price Volatility – This investment policy prohibits significant investments in securities with the potential for wide price volatility, such as options, futures, derivatives, short purchases and sales, and the leveraging of the funds.
c. Liquidity – Sufficient funds must be available to meet the College's projected cash flow needs throughout the year with particular attention to seasonal variations.

Return on Investment

a. Income – Investment income is an integral part of the College's annual budget and long-term viability. The investment portfolio of Massachusetts College of Liberal Arts shall be designed to attain the optimum rate of return under various economic conditions and during periodic economic cycles. The Council shall oversee the investment portfolio of the College on a quarterly basis and subsequently report its findings to the Board at its next meeting. The reports to the Trustees shall be conducted at least semi-annually.
b. Asset Appreciation – While there may be occasional periods of price instability or deflation, it is recognized that the economy has a bias toward consumer price inflation. Therefore, asset appreciation is a significant goal to ensure that the future value of the investment portfolio is equal to or exceeds its present purchasing value. This objective is INTENDED to ensure that the College does not experience asset value depreciation because of inflationary price changes.
c. Asset Allocation – The responsibility for establishing periodic asset allocation that is consistent with the objectives of the overall Investment Policy is under the purview of the Council. The Council shall review the allocations at least annually. The investment mix selected should reflect the risk level periodically determined to be appropriate for the College investment portfolio. It is recognized that asset allocation may be more important than individual investment selections.

II. DELEGATION OF AUTHORITY

Management responsibility for the investment program is hereby delegated to the Council who shall manage the investment program, including the possible appointment of a professional fund manager, consistent with the Board's approved Investment Policy. No College official may execute or cause any investment transaction except as allowed or provided under the terms of this Investment Policy and specific investment procedures that may be periodically established by the Council. The College's investments shall be secured through third party custody and safe keeping procedures. Bearer instruments shall be held only through third party institutions (i.e., a custodian or trustee).

III. ETHICS AND CONFLICT OF INTEREST

The Trustees, officers, and employees of Massachusetts College of Liberal Arts involved in the investment process are prohibited from personal business activities that could impair their ability to make impartial investment decisions. The perception of a conflict of interest must be avoided.

All ethics rules and laws of the Commonwealth of Massachusetts are hereby incorporated by reference into this policy.

IV. REPORTING

The Council shall provide quarterly reports to the Fiscal Affairs Committee and semi-annual reports to the Board.

V. INVESTMENTS

With stability, liquidity, capital growth, and total return as essential objectives in this Investment Policy, available funds will be invested in deposits of federally insured financial institutions or direct and fully guaranteed U.S. government securities and/or its agencies, the Common Fund (Money Market Fund or Intermediate Fund), as the Massachusetts Municipal Depository Trust (MMDT) of the Commonwealth of Massachusetts, and funds offered by banking or financial institutions licensed to perform investment services in Massachusetts.

a. Operating Needs – Sufficient liquid funds must be available during the year to meet the College's projected liquidity and cash flow needs. To meet the projected short-term liquidity and cash flow need, the College will maintain sufficient funds in its local operating bank accounts.
b. Investments – Investment Advisory Council may make investments for longer intermediate terms as it seems necessary and prudent under the circumstances, consistent with projected cash flow requirements.

VI. REVIEW

These guidelines shall be reviewed annually by the Council.

VII. INVESTMENT OBJECTIVE

The investment objective is to receive a total rate of return ("growth plus income") for the reserve fund which shall compare favorably with various appropriate benchmarks for measuring performance, as selected by the Council. If the Council and the Board have voted to use only mutual funds as investment vehicles, the same principles herein shall apply. Being a fiduciary account, the investment portfolio should be a diversified one, and should include securities of good quality, such as those a prudent investor would buy for their own portfolio. The investment account(s) shall be discretionary, (i.e.) the responsibility for appropriate allocation of assets to achieve reasonable growth and income within the following guidelines rests entirely on the

Council and advisor(s) and shall be based on the relative attractiveness of each asset in light of the investment/economic outlook at the time.

A. PERMITTED INVESTMENTS

1. Cash or equivalents, and money market funds of sound quality
2. Equity investments in proven and well-managed companies
3. Government bonds, certificates of deposit and investment grade corporate bonds with ratings of BBB or higher at the time of purchase
4. Mutual funds, exchange traded funds, and closed-end funds. These may include funds that invest worldwide as well as those that invest only within the United States, and also include “inverse” funds that are designed to move in the opposite direction of a market index
5. Investments are to be made from a long-term perspective with moderate annual turnover

B. INVESTMENT AND ACTIONS NOT PERMITTED

1. Concentration in any one company or industry, whether with bonds or stocks
2. Investment in "hedge funds"
3. Market timing or program trading
4. Persistent short term or “day” trading
5. Margin buying and short selling
6. Investment in securities that cannot reasonably be expected to be available for liquidation within three business days (“illiquid securities”)

C. ASSET ALLOCATION

The Council and/or advisor(s)has discretion to determine the allocation between equities, fixed income, and cash or equivalents within the following guidelines:

1. Equities (including individual stocks, funds, and other investments that primarily invest in common stocks) shall have a target allocation of 75% with an allowable range of 65% to 80%
2. Fixed income (including bonds, certificates of deposit longer than six months, and funds that primarily invest in fixed income securities) shall have a target allocation of 25% with an allowable range of 20% to 45%, with up to 10% of the total allocation being in lower-quality bonds or non-dollar securities, both of which must be held within funds
3. Cash or equivalents (including money market mutual funds and short-term fixed-rate investments with a maturity of less than 90 days) shall not have a specific target allocation, although it is expected that there will always be at least a small residual cash balance in the investment allocations, and the investment manager and/or broker may raise cash holdings if it is believed that market conditions are especially poor, with an allowable range of 0% to 25%

VIII. PERFORMANCE MONITORING

The comprehensive quarterly report of the fund's activity, by individual fund, shall reflect the balance at the start of the reporting period, deposits to and/or withdrawals from, interest income, dividend income, capital gains distributions, foreign taxes, investment fees, realized and unrealized gains/losses incurred during the reporting period and the balance as of the end of the reporting period. Beginning, ending, and changes in the Unit Value shall also be reported. This report shall be reviewed by the Council. The Council and Advisor(s) will also provide comparison data to benchmarks of similar composition for the quarter, year-to-date, as well as from inception of the portfolio.

IX. PRIVATE EQUITY AND VENTURE CAPITAL

Investments in these categories can be made in certain circumstances, but only under the direction of the Board. These investments must be critically scrutinized as to their merits, the know-how and experience of the principals in the business, the business plan, other financial sources, and the potential for success.

X. SHORT-TERM/CASH MANAGEMENT

A. RESPONSIBILITY

The Massachusetts College of Liberal Arts Investment Advisory Council will be responsible for the investment of current funds and may delegate management of these short-term cash investments to college staff.

MASSACHUSETTS COLLEGE OF LIBERAL ARTS

Re: BID OPENING POSTPONEMENT

If the College is closed due to inclement weather (or any unforeseen occurrence) on the date of a bid opening, the bid opening will be postponed to the next business day that the College is open. The bid will open at the corresponding time of the initial bid opening.

Any questions or concerns should be addressed to: William Norcross, Purchasing Manager – Administration and Finance at William.Norcross@mcla.edu.

Thank you.

MASSACHUSETTS COLLEGE OF LIBERAL ARTS

The following forms must be completed, signed, and submitted with a completed bid proposal.

1. W-9 Request for Taxpayer Identification Number and Certification
2. Commonwealth Terms and Conditions
3. Northern Ireland Notice and Certification
4. Statement of State Tax Compliance

NORTHERN IRELAND NOTICE AND CERTIFICATION

State agencies, state authorities, the House of Representatives, or the state Senate may not procure goods from any person employing ten or more employees in an office or other facility located in Northern Ireland who fails to complete the certification below as required by M.G.L. c.7 section 22C.

_____ The bidder does not employ ten or more employees in an office or other facility in Northern Ireland.

_____ The bidder employs ten or more employees in an office or other facility located in Northern Ireland and certifies that:

1) The bidder does not discriminate in employment, compensation, or the terms, conditions, and privileges of employment on account of religious or political belief; and
2) The bidder promotes religious tolerance within the workplace and the eradication of any manifestations of religious and other illegal discrimination; and
3) The bidder is not engaged in the manufacture, distribution, or sale of firearms, munitions, including rubber or plastic bullets, tear gas, armored vehicles, or military aircraft for use or deployment in an activity in Northern Ireland.

Signed under the pains and penalties of perjury on this _____ day of _____, _____.

_____
Bidder Name

X_____
Signature of Authorized Representative Signing on Behalf of Bidder

_____
Print Name of Authorized Representative of Bidder

_____
Print Title of Authorized Representative of Bidder

STATEMENT OF STATE TAX COMPLIANCE

Pursuant to Chapter 233 of the Acts of 1983, Section 49A (b)

I, _____, authorized signatory
(Name and Title)

for _____, whose principal
(Contractor)

place of business is at _____
(Address)

do hereby certify under the pains and penalties of perjury that

_____ has complied with all laws of
(Contractor)

the Commonwealth relating to taxes.

_____
(Authorized Signature)

_____
(Date)