

REQUEST FOR PROPOSAL for INDEPENDENT INVESTMENT ADVISOR

Diné College

March 29, 2018

INTRODUCTION

PURPOSE

The purpose of this Request for Proposal (“RFP”) is to solicit proposals for an Independent Investment Advisor for Diné College (“College”).

COLLEGE CONTACT PERSON

The College Contact Person for this RFP is given below. Potential Firms and Offices seeking clarification and materials regarding the RFP must contact the College Contact Person. Contact regarding this RFP with any College representative other than the College Contact Person may disqualify the proposer.

Requests for clarification and materials shall be submitted in writing.

Janet Benally

Procurement Specialist

Diné College

1 Circle Drive

P.O. Box C12

Tsaile, Arizona 86556

928-724-6690 (Phone)

928-724-6832(Fax)

Jntbenally@dinecollege.edu (Put “Independent Investment Advisor” in subject line of email)

KEY ACTION DATES

Advertisement in Navajo Times	–	April 2, 2018, April 9, 2018 April 16, 2018
Deadline to Submit Proposal	–	May 25, 2018 at 5:00 p.m. MST
Opening of Proposal(s) for Evaluation and awarding bid.	–	May 28, 2018 at 9:00 a.m. MST
Notification of Award		May 29, 2018
Board Action for approval of Contract		June 8, 2018

II. GENERAL RULES AND INFORMATION GOVERNING COMPETITION

INTRODUCTION

The method used for this solicitation is a RFP. Selection of an Independent Investment Advisor will be made through competitive procurement procedures, which will include factors such as qualifications, experience and fees to be charged. The following general rules and information are applicable to this RFP.

QUESTIONS REGARDING THIS RFP

Potential Firms seeking clarification and materials regarding the RFP must contact the College Contact Person. Answers to the questions will be provided to all potential Firms without identifying the submitter.

ORAL COMMUNICATIONS

Any oral communication by the College Contact Person regarding this RFP is not binding and shall in no way modify the RFP or the obligations of the College, potential Firm, or contractor.

AMENDMENTS TO RFP

The College reserves the right to amend and modify the RFP prior to the date fixed for submission of proposals. If it is necessary to amend this RFP, the College will electronically mail formal amendments to all Firms who have identified themselves in writing to the College Contact Person.

SUBMISSION OF PROPOSAL

The Firm is solely responsible for the delivery of its proposal to the College. Proposals will not be accepted subsequent to May 25, 2018 at 5:00 p.m. MST.

IMMATERIAL DEFECT IN PROPOSAL

The College may waive any immaterial deviation or defect in a proposal. The College's waiver shall in no way modify the RFP document or excuse the Firm from full compliance with the RFP if awarded the contract.

TERMINATION OR CANCELLATION

The College reserves the right to terminate any contract awarded through this RFP by providing sixty (60) days written notice to the Firm.

NEWS RELEASES

News releases pertaining to any award resulting from this RFP may not be made without the prior written approval of the College's Contact Person.

DISPOSITION OF PROPOSALS

All materials submitted in response to this RFP become the property of the College.

CONFIDENTIALITY

Proposals regarding specific cases or matters and performance under the contract shall be kept confidential.

ANNUAL EVALUATION OF FIRM

The selected Firm will be evaluated annually regarding its performance.

III. INSTRUCTIONS TO FIRMS SUBMITTING PROPOSALS

OVERVIEW

This is a competitive RFP conducted under the laws and regulations of the Navajo Nation. Potential contractors should carefully examine the entire RFP and be fully aware of the nature and quality of the services sought, as well as the conditions in providing such services. Potential Firms must fully comply with the instructions set forth below or their proposals may be rejected as non-responsive.

DESCRIPTION OF SERVICES

The Firm will furnish all labor, materials and equipment necessary to provide investment advisory services to the College.

PROPOSAL DEVELOPMENT COST

The cost of developing a proposal is the Firm's responsibility and is not chargeable to the College.

TERM OF CONTRACT

The contract awarded through this RFP is expected to be effective for a five (5) year period from date of the awarding of the contract, with a one (5) five-year renewal option at the College's discretion.

CHANGES TO RFP

The College reserves the right to amend and modify the RFP prior to the date fixed for submission of proposals.

DEVIATION FROM CONDITIONS OF RFP

Firms that would like to participate in the pool but cannot meet one or more of the specifications in this RFP should still submit a proposal. The proposal should identify which items(s) cannot be met and provide an explanation.

WITHDRAWAL

A Firm may withdraw a proposal at any time prior to the proposal opening date by submitting a written request to the College.

PROPOSAL IRREVOCABLE FOR 60 DAYS

A proposal is an irrevocable offer valid at the date scheduled for the proposal opening and for sixty (60) days thereafter.

NO AGREEMENT UNTIL SIGNED

No agreement with the College is effective until the College’s Board has approved the contract and both parties have signed a contract.

NONDISCRIMINATION CLAUSE

During the performance of the contract, the contractor shall not discriminate unlawfully against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age or sex.

PROPOSAL SUBMISSION

The College encourages submission of proposals by email in PDF format. Each proposal must be submitted by May 25, 2018 at 5:00 p.m. DST. Electronically submitted proposals must be submitted to the College’s Contact Person via email: Jntbenally@dinecollege.edu (Put “Submission of Independent Investment Advisor Services” in subject line of email). If submitting by email, an original signed copy of the proposal must be submitted.

Hardcopy proposals must be submitted by May 25, 2018 at 5:00 p.m. DST. If submitting by hardcopy, please provide 12 copies. Hardcopies submissions should be sent to the following addresses:

United States Postal Service
Ms. Janet Benally
Procurement Specialist
Diné College
P.O. Box C-12
Tsaile, Arizona 86556
(928)724-6690 (Phone)
(928)724-6832(Fax)

Address for UPS & FedEx
Ms. Janet Benally
Procurement Specialist
Diné College
P.O. Box C-12
Tsaile, Arizona 86556
(928)724-6832(Fax)
(928)724-6690 (Phone)

PROPOSALS OPENING

The proposals will be opened on May 28, 2018 at 9:00 a.m. DST and the College Administration will review and determine Proposals as Responsive or Not Responsive.

PROPOSALS DISPOSITION

All submitted proposals will remain on file with the College's Human Resources office for one year from May 28, 2018 at 5:00 p.m., at which time the College will destroy the proposals and send notification to the Firms that the submitted proposal has been disposed.

IV. FORMAT FOR PROPOSAL

This section prescribes the mandatory format for the development and presentation of a proposal. Each Firm must adhere to these requirements and submit all of the following documents and data.

COVER LETTER

The cover letter shall briefly summarize the Firm's ability to perform the services specified in the RFP. The letter shall also state the Firm's willingness to perform the work outlined in the RFP and to enter into a formal contract with the College. An identified individual authorized to commit Firm to a contract must sign the letter.

The letter must also contain the following:

1. The investment advisor's name, address, email, telephone and fax number.
2. The investment advisor's Federal Employer Identification Number.
3. The name, title or position, email address, and telephone number of the individual signing the cover letter on behalf of the investment advisor.
4. The name, title or position, email address, and telephone number of the primary contact and/or account administrator, if different from individual signing the cover letter.
5. An acknowledgement by the investment advisor that the proposal is a firm and irrevocable offer good for 60 days from the date of the proposal submission deadline.

TABLE OF CONTENTS

The proposal must include a table of contents with page references for the principal sections.

DESCRIPTION OF QUALIFICATIONS

Each proposal must include a general description of the Firm's history and qualifications. A Firm may also use this section to describe any enhancements or additional services not mentioned in the RFP.

SCOPE OF WORK

The investment advisor shall furnish to the College the following described services:

1. Manage the Funds under its care, custody and/or control in accordance with investment policy objectives and guidelines as set forth therein.
2. Promptly inform the Vice President of Finance and Investment Committee in writing regarding all significant and/or material matters and changes pertaining to the investment of the Funds including but not limited to:
 - Investment strategy of the Funds
 - Portfolio structure of the Funds
 - Tactical approaches of Funds
 - Ownership of the investment advisor
 - Organizational structure of the investment advisor
 - Financial condition of the investment advisor
 - Professional staff of the investment advisor
 - Recommendations for guideline changes to the Investment Policy
 - All legal issues, SEC and other regulatory proceedings affecting the investment advisor.
3. Assist the College in setting up custody, trading and/or control procedures for proper management of the Funds.
4. Coordinate closely with the College to ascertain current and future liquidity needs of the College and take appropriate steps to ensure such liquidity is available as needed.
5. Promptly vote all proxies and related actions in a manner consistent with the long-term interests and objectives of the College set forth in the Investment Policy developed.
6. Allocate the Fund's assets in such manner as to maximize potential return within the risk and asset class parameters stated in the investment policy and the liquidity and funding constrains of the Fund.
7. Recommend changes whenever needed to achieve the objectives established in the investment policy.
8. Monitor the College's account(s) and provide a quarterly summary including an accurate report of beginning and ending balances, and a detail of all transactions to the [Vice President of Finance, Investment Committee].
9. Provide quarterly performance reports to the VP of Finance and Investment Committee on a timely basis.
10. If outside fund managers (e.g. mutual funds) or money managers (e.g. managed accounts) are utilized, advise the VP of Finance and Investment Committee in the selection process and monitor performance and adherence to policies and guidelines. Report results to Vice President of Finance and Investment Committee.

11. Present to the President and Board on an annual basis to review the Fund's performance and outlook. Inform the President and Board of material events that affect current and future investments.

B. INVESTMENT MANAGEMENT FIRM

Please include complete answers or responses to the following questions or topics in your proposal.

History

1. Please list your firm's complete name, street address, email address, and main voice telephone and fax numbers. Include the name and title of proposed primary investment advisor and location from which the consulting work will be done, along with email and direct voice and fax numbers for the proposed primary advisor.
2. Please provide a brief history, since inception, of your firm and your parent organization if any. In addition, please provide the number of years your firm has been providing investment advisory services, the number of years providing investment advisory services to government clients, and the number of years providing investment advisory services to tribal institutional clients.
3. What are your firm's current assets under management?

Ownership

1. Describe the ownership structure of your organization with specific detail regarding the percentage owned by current active employees, retired employees, parent company, affiliates or other entities. Please provide the names of individuals possessing ownership, including their title or position within the firm.
2. Include an organizational chart. Show and describe, if any, the distinct lines of business of your firm which are in addition to your investment advisory line of business.

Organization

1. Describe the line(s) of business of your firm, your parent organization, and any affiliated companies.
2. Qualified candidates must be registered investment advisors under the Investment Advisors Act of 1940. Include both Parts of U.S. Securities and Exchange Commission (SEC) Form ADV.
3. Are there any circumstances specifically related to your investment management activities under which your firm, its officers, or employees receive direct or indirect compensation from investment managers or other investment-related firms? If so, describe in detail.
4. Does your firm, its parent, or affiliate(s) sell information or any other services to investment managers or other investment related firms? If so, describe in detail.

5. If your firm, its parent, or affiliate is a broker/dealer, do you trade for client accounts through this broker/dealer? Can you assure the College that your firm's brokerage affiliate, if any, will not execute trades for the College? Please explain how.
6. Within the last five years, has your organization or an officer or principal been involved in any business litigation or other legal proceedings relating to your investment management activities? If so, provide an explanation and indicate the current status or disposition.

Employees and Staff

1. Provide an organizational chart, across all offices, of the investment management portion of your firm's business. List the number of employees, professional and support, in each function and/or location. Indicate any areas of special investment management expertise these individuals possess.
2. Provide an organizational chart, specific to the consulting group which would be handling the College's accounts, including all individuals, functions, positions and titles.
3. Provide biographies of the key individuals within each functional area.
4. Does your firm have a written code of conduct or ethics?
5. What percentage of your staff is Native American?

Independence of Judgment and Freedom of Conflicts

1. What policies and procedures do you have in place to avoid or prevent conflicts of interest?
2. Are there any circumstances specifically related to your investment management activities under which your firm, its officers or employees receive direct or indirect compensation from investment managers or other investment-related firms? If so, describe in detail.
3. Does your firm or any affiliate serve as an investment manager (i.e. manage mutual funds, exchange traded funds or managed accounts) for clients?
4. Do you or your vendors charge direct or indirect fees for investment managers to be included in your firm's investment manager database for consideration to manage client funds? If so, what are the fees? How do you prevent conflicts of interest?
5. Do you charge investment managers (i.e. manage mutual funds, exchange traded funds or managed accounts) any direct or indirect fees when they are successful in manager searches that you conduct on behalf of your clients? If so, what are the fees? How do you prevent conflicts of interests?
6. Describe in detail any potential conflicts of interest your firm may have in this assignment, specifically with (1) the College, (2) the Navajo Nation and its political subdivisions; (3) Navajo Nation Enterprises and entities; or (4) any Higher Education institutions. Include any activities of

affiliated or parent organizations, brokerage activities, investment banking activities. Include any pertinent activities, actions, or relationships not specifically outlined in this question.

7. Can you only recommend a limited number of products or services? If so, why?

C. INVESTMENT CONSULTING CAPABILITIES

Please include complete answers or responses to the following questions or topics in your proposal.

Asset Allocation & Investment Policy Analysis

1. Outline your approach to the development of an investment policy statement. Describe how you articulate the fiduciaries' (i.e. the Board's) risk tolerance in the policy document.
2. What is your approach to managing absolute and relative investment risk? Describe your general approach to controlling risk?
3. Discuss the theory and methodology of the asset allocation process you employ. How does your firm develop asset class assumptions?
4. How do you factor in the specific cash flow needs of your clients in your asset allocation and/or security selection process?
5. Detail your process for recommending an overall portfolio structure. Give particular attention to its relationship with investment policy and asset allocation.

Performance Evaluation: Portfolio and Underlying Funds

1. How often are performance reports for the portfolio and the underlying funds and investments produced and delivered? What quality control processes and written procedures do you have in place? Include a sample performance evaluation report in the appendix of your response.
2. Describe how benchmarks for the portfolio are chosen or developed and how performance is compared to similar portfolios. Can your firm provide custom/style benchmarks and universes?

Investment Manager & Custodian/Trustee Search

1. Discuss how your firm provides or arranges for a custodian/trustee to hold client assets?
2. Discuss how your firm arranges for a broker/dealer to execute client trades?

Research

1. Describe how your firm's internal research function is performed.

Education and Training

1. Describe the education provided to your client's trustees and staff.

Educational Partnership and Internship Opportunities

1. Would your Firm provide an internship opportunity for our students?
2. What resources would the Firm commit to housing an intern?

D. CLIENTS

Please include complete answers or responses to the following questions or topics in your proposal.

1. Please provide contact information for three clients for reference purposes.
2. Please provide contact information for your Native American clients as a reference.

E. FEES

Please include complete answers or responses to the following questions or topics in your proposal.

- Please provide a fee schedule of each proposed service; in addition, please submit your fee proposal for full service investment advisory consulting to include all of the proposed services, including advisory services on an as needed basis.

F. CONTRACTS

1. The contract for this Investment Advisory Services will be executed using a College Professional Service Contract.

G. CONFIDENTIALITY, NONDISCRIMINATION AND NON-COLLUSION

Each proposal must include the following completed and signed forms:

- Confidentiality Agreement (Attachment A).
- Certification of Nondiscrimination (Attachment B).

V. PROPOSAL EVALUATION AND PROCEDURES

The purpose of the proposal evaluation process is to identify the investment advisor that has the highest probability of satisfactorily performing the services requested by the College. The evaluation process will be conducted in a comprehensive and impartial manner as set forth herein.

Proposals will undergo an evaluation process conducted by the Bid Committee. Those investment advisors which, on the basis of the submitted proposals, the Bid committee believes to best meet the College's requirements for the delivery of the services sought under this RFP. Based on its evaluation of the proposals, the Bid committee will award the bid based on the evaluation criteria listed below.

The Bid committee, in its exclusive discretion, will select the proposal(s) that it considers to be in the best interest of the College. While cost is a consideration, the Bid committee reserves the right to award the resulting contract(s) on the basis of all relevant considerations and the Bid Committee's overall evaluation of each investment advisor's ability to meet the College's needs. The College requests that firms submitting proposals await the response of the College and not place calls to the College's staff seeking the status of their proposal.

PROCEDURES

1. All proposals will be opened at the Bidding opening meeting and evaluate by the Bidding Committee and to determine if they are responsive.
2. Those proposals that are responsive will be considered by the Bidding Committee.
3. The Bidding Committee will evaluate the Proposal according to the evaluation matrix outlined below.

RESPONSIVENESS EVALUATION QUESTIONS

During the responsive evaluation process, the Bid Committee may have questions about a proposal. Each Firm shall make available a representative for answering specific questions by telephone if any questions should arise during the evaluation on May 25, 2018 from 9:00 a.m. to 11:00 a.m.

AWARDING

The Bidding Committee will select a Firm(s) and a notification letter or email will be send to the awarded company.

EVALUATION FACTORS AND ITEMS

All proposals will be evaluated using these primary factors:

- (50%) Professional qualifications (as outlined in Scope of Work)
- (30%) Fees and services.
- (10%) Reporting.
- (5%) Training and outreach.
 - Firm's willingness to provide at least six hours annually of training to the Investment Committee members.
 - Firm's commitment to extending internship opportunities to the College's students.
- (5%) Navajo Nation Business Preference

ATTACHMENT A

CONFIDENTIALITY AGREEMENT

The undersigned, a duly authorized officer of _____

(complete legal name of firm),

does hereby represent, warrant, and agree to the following statement:

All financial, statistical, personal, technical or other data and information relating to the College's operation which are designated confidential by the College and made available to the undersigned shall be protected by the undersigned from unauthorized use and disclosure.

Name

Title of Principal Proposer

Date

ATTACHMENT B

**CERTIFICATION OF NON-DISCRIMINATION
TO BE EXECUTED BY PROPOSER AND SUBMITTED WITH PROPOSAL**

Proposer hereby certifies in performing work or providing services for the College there shall be no discrimination in its hiring or employment practices because of age, sex, race, color, ancestry, national origin, religious creed, physical or mental disability, medical condition, or marital status. Proposer shall comply with applicable Navajo Nation and Federal anti-discrimination laws.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Non-Discrimination this ____ day of _____, 2018

PROPOSER

(Type or print complete legal name of firm)

BY

(Signature)

Name

(Type or print)

Title

Address

City _____ State _____ Zip _____