



REQUEST FOR PROPOSAL

FOR
INVESTMENT MANAGEMENT SERVICES

FOR
Redwood Empire Schools' Insurance Group
(RESIG)

RETURN PROPOSALS TO:

Rose R. Burcina
Executive Director
rburcina@resig.org

SUBMISSION DEADLINE
NOON ON APRIL 6, 2018

**REQUEST FOR PROPOSAL
FOR
INVESTMENT MANAGEMENT SERVICES
FOR
RESIG**

TABLE OF CONTENTS

I. INTRODUCTION 3

II. SCOPE OF SERVICES..... 4

III. PROPOSAL REQUIREMENTS..... 4

IV. INSURANCE REQUIREMENTS..... 7

V. SELECTION PROCESS..... 8

Appendices

Appendix A – RESIG Investment Policy

I. INTRODUCTION

The Board of Directors of the Redwood Empire Schools' Insurance Group (RESIG) is requesting proposals from qualified firms for the provision of investment management services for RESIG's funds and to provide service to the Finance Committee and Board of Directors of RESIG. As of December 31, 2017, RESIG had approximately \$63.7 million on deposit with Sonoma County Treasury. RESIG plans to have the chosen investment manager manage funds in the range of \$20,000,000 to \$40,000,000.

RESIG operates within the provisions of the California Government Code and the Brown Act and is a California public agency organized under Government Code sections 6500-6515. Applicable State statutes guide the investment of RESIG funds. A copy of RESIG's current Investment Policy is attached for your information.

RESIG is one of an estimated 150 Joint Powers self-insurance pools operating in California. RESIG was created in 1979/80 to develop effective risk management programs to reduce the amount and frequency of losses, to share the losses on a self-insured basis, and to jointly purchase and provide administrative and other services such as claims adjusting, data processing, risk management, loss prevention, accounting services, actuarial services, and legal services in connection with the program.

The governing body of the JPA is the Board of Directors, comprised of one Representative and one Alternate Representative from each Member of the JPA; the Board typically meets twice per year, in November and June. There is also a seven (7) person Executive Committee and a four (4) person Investment Committee.

II. SCOPE OF SERVICES

The firm selected will be required to provide the following services:

1. **Investment of Funds**

The firm must effectively invest RESIG's funds.

2. **Written and Oral Reports**

The firm must provide a monthly statement, and a written report on a quarterly basis demonstrating the portfolio performance and the current status of the market. The firm must also be available to make two oral presentations to the Board during the first year and an annual oral report to the Board thereafter. A written report will also be presented in final draft by May 1 annually.

3. **Evaluation of Investment Policy**

The firm must annually assist in the review of RESIG's Investment Policy. The proposed changes to the Investment Policy will be presented in final draft form for final edit by June of each year.

4. **Cash Flow Projections**

Work with RESIG staff to understand cash flow projections to ensure that the investment strategy is consistent with RESIG's liquidity requirements.

III. PROPOSAL REQUIREMENTS

Proposals will be evaluated based on the following criteria:

1. Understanding the scope of assignment,
2. Experience and qualifications of SEC registered investment advisor and individuals assigned,
3. Recommended approach to management of RESIG's portfolio,
4. Familiarity with State investment and reporting requirements,
5. Performance history, and
6. Fees.

All proposals must state the period for which the proposal shall remain in effect. Such period shall not be less than 120 days from proposal due date.

Please format your response to this Request for Proposal in the following manner:

I. Organization

- A. Describe your firm, the date founded, ownership, and other business affiliations. (Please provide number and location of affiliated offices.)

- B. Describe your firm's revenue sources (e.g., investment management, institutional research, etc.) and comment on your firm's financial condition.
- C. Describe any SEC censure or litigation involving your organization at any time.
- D. Identify the types of accounts primarily sought after by your firm.
- E. Provide information regarding the bonding and insurance your firm has in place.

Provide a copy of your firm's most recent audited financial statement.

II. Personnel

- A. Identify the number of professionals employed by your firm, by classification.
- B. Provide biographical information on investment professionals that will be involved in the decision making process for our portfolio.
- C. Describe your firm's compensation policies for investment professionals.

III. Assets Under Management

- A. Provide the number and types of accounts, total asset value, and composition of portfolios currently being managed by your firm.
- B. Provide data on account/asset growth and other performance statistics over the past five years.
- C. List in the following table the percentage by market value of aggregate assets under management for your latest reporting period.

U.S. Treasury securities	_____	%
Federal Agency obligations	_____	%
Corporate securities rated AAA-AA	_____	%
Corporate securities rated AA	_____	%
Corporate securities rated A	_____	%
Corporate securities rated BBB or lower	_____	%
Other	_____	%

- D. In the past five years, has your firm purchased and held any security that was subsequently downgraded below the minimum credit ratings required for purchase under the California Government Code?

IV. Philosophy/Approach

- A. Describe your firm's investment philosophy.
 - 1. Indicate whether it has changed during the past five years.
 - 2. Indicate what is distinctive about your philosophy.
- B. Describe the maturity concentration, quality, and sectors of current accounts similar to RESIG.
- C. In connection with our investment policy, would you recommend there be any policy restrictions or other changes?
- D. Describe your firm's decision making process in terms of structure, committees, membership, meeting frequency, responsibilities, integration of research ideas, and portfolio management.
- E. Describe your research capabilities as they would pertain to RESIG's portfolio.
- F. How are brokers/dealers selected? What process do you have in place to monitor brokers/dealers after they have been approved?

V. Portfolio Management

- A. Describe whether portfolios are managed by teams or by one individual.
- B. Describe the average number of accounts and table assets handled per manager.
- C. Indicate which of your firm's professionals would be delegated as the primary client contact.
- D. Indicate how frequently you are willing to meet with us.
- E. Describe procedures used to ensure that portfolios comply with organizational policy and client investment objectives and guidelines.
- G. Describe whether your firm offers the option of Non-Discretionary versus Discretionary portfolio management. Describe the pros and cons of each approach and how your firm would operate effectively under each option.
- H. Describe which benchmark your firm would recommend to gauge the performance of the portfolio over time and why.
- I. Assuming the term structure of interest rates has not changed, describe what changes your firm would make in the portfolio during the first 60 days your firm is overseeing the portfolio and why.

VI. Fees

- A. Include a copy of your firm's fee schedule.
 - 1. Indicate whether they include custodial fees.
 - 2. Indicate whether there is a minimum annual fee.
- B. Indicate whether fees would be charged when there is no activity in the account.

VII. References

Provide five references, preferably in California, Joint Powers Insurance Authorities or other public agencies with similar portfolio size to RESIG and investment objectives, including length of time managing their assets and client name, address, and phone number. RESIG reserves the right to contact each of the references listed for additional information regarding your firms' qualifications.

VIII. Performance Reporting

- A. Describe how you typically report performance (enclose an example of a typical monthly statement).
- B. Indicate whether you are willing to develop reporting procedures in line with our needs and objectives (i.e., monthly, so as to conform to State reporting requirements to management and governing bodies).
- C. Indicate whether confirmations of investment transactions are sent directly by the broker-dealer to the client.

IV. **INSURANCE REQUIREMENTS**

Proposer shall take out and maintain during the entire term of the agreement insurance pertaining to the activities associated with the agreement. Proposer will be required to obtain, at its own cost and expense, all insurance endorsements required below and shall provide evidence of such insurance and endorsements to RESIG prior to commencing work.

Insurance Requirements:

Workers' Compensation	-Statutory limits
Employer's Liability	-\$1,000,000 per occurrence
Commercial General Liability	-\$1,000,000 CSL per occurrence
if policy has an aggregate	-\$2,000,000 minimum
Professional Liability	-\$10,000,000 per claim

V. SELECTION PROCESS

Only those proposals which are complete and delivered to the office of the RESIG by Noon on April 6, 2018 shall be considered. Our preference is to receive electronic copies of all proposals. Please send your proposal to:

- Rose R. Burcina, rburcina@resig.org or mail to RESIG, 5760 Skylane Blvd. Ste.100, Windsor, CA 95492

Upon receipt of the proposal, RESIG staff will review each firm's response to this Request for Proposal. Failure to properly address all the items set forth above may disqualify the prospective proposal. At their discretion, staff and/or the Finance Committee may interview one or more firms to further assist in the review process. The firms selected for interview, if any, will bear their own costs to attend such interviews. RESIG reserves the right to award the contract at its discretion depending upon multiple areas of criteria.

RESIG reserves the right to: reject any and all proposals; to waive any informality, defect, or irregularity in a proposal; to conduct contract negotiations with any proposer (whether or not it has submitted a proposal); to alter the selection process in any way; to postpone the selection process for its own convenience at any time; to accept or reject any individual that a proposer proposes to use; and/or to decide whether or not to engage with any proposer. Nothing in this RFP shall be construed to obligate RESIG to negotiate or enter into an engagement with any particular proposer. This RFP shall not be deemed to be an offer to engage or to enter into a binding contract or agreement of any kind.

All proposals, whether selected or rejected, shall become the property of RESIG. Costs of preparation of proposals will be borne solely by the proposer.

Questions concerning this Request for Proposal should be addressed to:

Rose R. Burcina

Executive Director

rburcina@resig.org

The following is an anticipated timetable:

February 23, 2018	Dissemination of Request for Proposals
April 6, 2018	Proposals due by Noon
April 19, 2018	Interview of selected firms
May 17, 2018	Selection of Firm by Executive Committee
May 18, 2018	Inform selected Firm
June 14, 2018	Formal approval of agreement by Board of Directors

RESIG reserves the right to cancel and/or modify the above dates at any time or to make a dual appointment.

