



Finance Department
1204 NE 201st Avenue
Fairview, OR 97024
503-661-7200

Reynolds School District #7

REQUEST FOR PROPOSALS

#RFP1516.002

INVESTMENT MANAGEMENT SERVICES

PROPOSALS DUE

August 19, 2015

4:00 PM PDT

Reynolds School District #7

RE: RFP INVESTMENT MANAGEMENT SERVICES

1204 NE 201st Ave

Fairview, OR 97024

RSD_RFP@rsd7.net

NOTE: All proposals are to be filed in accordance with Rules, Regulations, Statute, Ordinances, and Specifications as outlined in the attached material and as applicable by the Federal, State and Local Governments. Vendors/Contractors are advised to familiarize themselves with applicable Reynolds School District #7, ORS, OAR, AG Model Public Contract Rules, and UCC as applicable in Oregon. All are applicable and may not be spelled out in detail in this document.

1. Introduction

Reynolds School District requests proposals for Investment Management Services. The District desires to enter into a 5 year agreement with a qualified firm experienced in providing financial investment management services. Detailed information regarding the services to be provided can be found in Section 2 – Scope of Work.

Reynolds School District serves 11,722 students in 18 schools.

After a two-year facilities study, the facilities master plan was adopted in October 2014. A community task force then prioritized the projects. The bond measure was successful and will pay for \$125 million of the projects.

The District plans to replace three of its oldest schools on their current properties. Fairview and Troutdale elementary schools are 88 years old and Wilkes is 101 years old. According to the facilities study, the high school is over student Capacity by 750 students. Proceeds from the bond would add classroom space, renovate science labs, and make technology and security improvements at all schools.

Bonds were sold on August 8, 2015 and the closing is scheduled for August 20, 2015

Anticipated RFP Schedule

Issuance of RFP documents	August 14, 2015
Deadline for Proposal Submission	August 19, 2015
Notice of Intent to Award	August 20, 2015
Commencement of Contract	August 21, 2015

Submission Date and Location

Proposals must be received by the District by 4:00 PM PDT, August 19, 2015.

If a paper proposal is submitted, the outside of the sealed envelope should be marked as follows and delivered to:

Reynolds School District #7

RE: RFP INVESTMENT MANAGEMENT SERVICES

1204 NE 201st Ave

Fairview, OR 97024

Electronic versions of the proposal are acceptable and must be in PDF format and emailed to:

RSD_RFP@rsd7.net

The email must be received by the noted deadline.

2. Scope of Work

The District will close on the bond sale on August 20, 2015 with bond proceeds of \$137,881,332.20. The District investment returns for the proposal should be based on Attachment A, a basic cash flow needs graphic. Demonstrate your investment strategy based upon Oregon law for public funds investments and local Board policy, and the resulting interest rate proposed for the District's interest revenue.

3. Questionnaire

ORGANIZATION AND PERSONNEL

- 1) Describe your organization; date founded and brief history, ownership web-site, and any other business affiliations. Does the firm have an office in Oregon? Is your firm a Registered Municipal Advisor?
- 2) Describe your firm's commitment to servicing the public sector.
- 3) Describe your firm's revenue sources. Categorize between retail and institutional accounts and denote governmental assets in separately managed portfolios.
- 4) Describe any SEC censure or litigation involving your firm or its employees in the last five years.
- 5) What distinguishes your firm from other firms?
- 6) Within your firm, identify the number of key personnel committed to the public sector accounts and their credentials. Identify the key person(s) and their background who will take the most active role in the management of the District's assets.
- 7) Describe your firm's compensation policies for investment professionals.
- 8) Summarize the errors and omissions and liability insurance coverage of the firm.
- 9) Identify the number of investment professionals employed by your firm, by classification. Specify the average number of accounts handled by portfolio managers.
- 10) Identify the size and key personnel of your staff committed to the public sector, along with their credentials.

INVESTMENT MANAGEMENT APPROACH AND PHILOSOPHY

- 11) Describe your firm's risk management philosophy and investment style.
- 12) Describe how your firm would organize its investment process with The District.
- 13) What are the primary strategies for adding value to portfolios (e.g. market timing, credit research, trading)?
- 14) What would your firm require from The District in terms of cash flows and the cash forecasting process, and how would you assist The District in this process?
- 15) What is your firm's experience in portfolio management for public sector funds?
- 16) Describe your projected strategy for the portfolio(s) for which you are proposing. How would these be implemented?
- 17) How frequently would you suggest your firm meet with The District staff? Who will attend these briefings?

- 18) Describe the trade process you anticipate.
- 19) Describe your firm's research capabilities and resources. Does your firm assign credit research to specialists?
- 20) Describe your credit review process.

IMPLEMENTATION PLAN

- 21) Describe your plan, including relevant time lines and action steps, for working with The District to implement the proposed investment management services. Identify any issues or concerns that would affect your ability to implement the plan.

HISTORICAL RETURN AND ASSETS UNDER MANAGEMENT

- 22) Provide the number and types of accounts, total asset value, and composition of portfolios currently being managed by your firm.
- 23) Provide historical return data compared to an appropriate benchmark, and other performance statistics, over the past five years in the public sector portfolios being managed as separate portfolios.

REFERENCES

- 24) Provide three (3) public sector references, including client name, contact person, address, email address, and length of time your firm has managed their assets.

REPORTING

- 25) Describe the frequency and format of reports that would be provided to The District. Attach examples.
- 26) Describe the quality control procedures your firm has in place. What types of reconciliation and editing do you perform? How do you resolve data discrepancies?
- 27) What benchmarks would you suggest for the funds to be managed?
- 28) What is your source for market prices?

FEES

- 29) Describe your firm's fee schedule. (a) Is there a minimum fee? (b) What expenses would be covered through the fee structure?
- 30) Are fees charged when there is no activity in the account or if the portfolio is invested in the managers designated money market fund at the Custodian?
- 31) What additional costs could be required in order to implement your investment services?

4. Proposal Contents

Proposals are to include, but not necessarily be limited to, the content listed below. The volume, or size of the proposal, should be consistent with the relative size of the project. Concise proposals without needless duplication are encouraged.

A. Letter of Transmittal.

Include an introductory letter expressing interest in the project. The letter should include name of firm, RFP contract person, email address, mailing address, telephone number, and must be signed by person authorized to bind the firm.

B. Project Description and Approach.

Provide a statement of the services to be provided including a detailed explanation of how the services are to be provided.

C. Investment Management Team Experience and Quality of Service.

- i. Proposal should identify the principal staff who will be assigned to work with The District on a day-to-day basis. Proposal should also identify other staff that will assist the principal staff and describe their roles. List the experience and qualifications of staff who will be working on managing The District's investment portfolio. Describe the applicable skills and accomplishments of the principal staff or project manager. Do not include persons who will not be working on the project.
- ii. Confirm availability and commitment of named key staff to managing The District's investment portfolio. If the principal staff or project manager is not local, identify any local contact and describe how principal staff or project management, coordination and communications with The District will be accomplished.
- iii. Provide project descriptions for at least three recent public-agency investment portfolios managed that are of similar size and complexity to the proposed project, including completion dates, measures that indicate quality and successful investment completion, and a client reference name and phone number. Indicate the involvement of proposed key staff on those or similar projects. Indicate the team's familiarity with the local area.
- iv. Provide any background information on the size, capability and location of the firm that may be beneficial.

D. Cost Proposal.

Provide a cost proposal to perform the scope of work. Clearly describe any deviation from the listed scope of work that would significantly affect costs. Separate the cost of any proposed optional services from the cost of services requested. The format for the cost proposal is to be selected by the consultant.

5. Selection Process

Proposal Evaluation Criteria and Scoring

The evaluation will be based on the technical and administrative capabilities in relation to The District's investment management strategy. The criteria listed below will be used to evaluate the proposers.

- **Project Understanding and Approach**

Max. Points: 20

Score _____

Evaluate the consultant's investment management understanding and approach to accomplish the objectives and tasks set forth in the Scope of Work. Consider methodologies proposed to accomplish the work, including the types of information or data required.

- **Investment Management Team, Experience and Quality of Service**

Max. Points: 50

Score _____

Evaluate the knowledge and experience of the firm and individuals assigned to perform work under the proposed contract. Evaluate the qualifications, experience, skills and commitment to perform the work. Consider the firm's resources and the quality of the individuals' and firm's completed projects and the quality of service the individuals and firm provided on similar engagements.

- **Cost**

Max. Points: 20

Score _____

The proposed total cost of the investment management team for services described. The proposal that accomplishes the stated objectives and tasks at the lowest cost will receive the highest points for this criterion.

- **References**

Max. Points: 10

Score _____

Testimonials on bond proceed investments or references provided that explain the service level received and the favorable rates realized over the course of the investments.

TOTAL SCORE _____

REYNOLDS SCHOOL DISTRICT
BOND CASH FLOW- 2015
8-17-2015

Attachment A



Front End- A/E, GC
Design & Entitlements
Construction
Closeout



August 6th bond sale, August 20th bond closing

85% by August 2018

			2015		2016				2017				2018				2019				
BOND PROJECTS	Budget Estimate		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Elementary A	32,000,000		250,000	350,000	400,000	300,000	1,500,000	2,500,000	3,000,000	4,000,000	4,500,000	6,000,000	4,000,000	2,000,000	1,000,000	1,000,000	700,000	200,000	200,000	100,000	32,000,000
Elementary B	26,000,000		250,000	350,000	400,000	300,000	750,000	150,000	2,000,000	3,000,000	4,500,000	5,000,000	3,000,000	2,000,000	1,500,000	1,500,000	800,000	200,000	200,000	100,000	26,000,000
Elementary C	24,000,000		240,000	340,000	350,000	300,000	700,000	2,000,000	2,100,000	3,000,000	4,000,000	4,000,000	3,000,000	2,000,000	1,000,000	500,000	200,000	100,000	100,000	70,000	24,000,000
Reynolds HS	34,000,000		300,000	500,000	500,000	400,000	900,000	2,000,000	2,500,000	4,000,000	6,500,000	5,000,000	5,000,000	4,000,000	1,000,000	600,000	300,000	300,000	100,000	100,000	34,000,000
District Wide Safety/Security	6,100,000		100,000	100,000	100,000	100,000	1,400,000	350,000	100,000	100,000	2,000,000	265,000	200,000	200,000	350,000	100,000	100,000	285,000	200,000	50,000	6,100,000
Bond Premium Allocation	14,900,000		100,000	100,000	250,000	250,000	250,000	250,000	500,000	250,000	500,000	500,000	1,000,000	1,000,000	1,000,000	1,000,000	2,000,000	2,500,000	2,500,000	950,000	14,900,000
Bond Issuance	800,000		800,000																		800,000
Total	137,800,000		2,040,000	1,740,000	2,000,000	1,650,000	5,500,000	7,250,000	10,200,000	14,350,000	22,000,000	20,765,000	16,200,000	11,200,000	5,850,000	4,700,000	4,100,000	3,585,000	3,300,000	1,370,000	137,800,000
Cumulative			2,040,000	3,780,000	5,780,000	7,430,000	12,930,000	20,180,000	30,380,000	44,730,000	66,730,000	87,495,000	103,695,000	114,895,000	120,745,000	125,445,000	129,545,000	133,130,000	136,430,000	137,800,000	137,800,000
check!																					check!

