

**LEWIS-CLARK STATE COLLEGE FOUNDATION
REQUEST FOR PROPOSALS – INVESTMENT MANAGEMENT SERVICES**

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I. INTRODUCTION

The Lewis-Clark State College Foundation (LCSCF) is soliciting proposals from investment firms to provide certain investment management services. This Request for Proposal contains background information on LCSCF and specific information that must be included in the proposals submitted. The proposals must be submitted, in electronic format, no later than March 1, 2022, 5:00 p.m. directly to the following address:

Executive Director, LCSC Foundation
Lewis-Clark State College Foundation
500 8th Avenue
Lewiston, ID 83501
collegeadvancement@lcsc.edu

II. BACKGROUND

The LCSC Foundation is a 501(c)3 non-profit corporation, formed in 1984 to provide financial support to the College and its programs. Total Foundation assets have grown from \$21,000 in its first year of operation in 1984 to \$13,463,592 as of September 30, 2021.

Lewis-Clark State College was established by the Idaho State Legislature in 1893. The College is a comprehensive, four-year public institution offering programs in the liberal arts and sciences, professional studies, and technology. Current enrollment is over 3,700 students, and the College serves the educational and training needs of students from throughout Idaho, the nation, and the world.

“Endowment” is a commonly used term to refer to the resources that have been restricted by the donor or designated by the Foundation Board of Directors that will be invested to provide future revenue to support the College’s activities. It is the desire of the LCSCF to have the investment portion of the Foundation’s Endowment managed by an outside qualified investment consultant firm.

Included in the Appendices is a copy of LCSCF’s current investment policy and a summary of the Foundation’s current investment portfolio.

III. MINIMUM QUALIFICATIONS

To qualify for consideration, a responding firm must, at a minimum:

1. Be a registered investment advisor under the Investment Company Act of 1940
2. Agree to act as a “fiduciary” with respect to LCSCF
3. Have been in business for a minimum of 10 years; if the firm has not been in business for 10 years, the senior principals of the firm must have at least 10 years of experience with institutional clients at an investment consulting firm
4. Have provided investment consulting services to other organizations comparable to LCSCF

5. Employ a professional team or department dedicated to investment research and analysis
6. Identify and provide resumes for the individuals to be assigned to the LCSCF account. Assignees must have a minimum of 5 years of professional experience in the investment consulting field

IV. REPRESENTATIONS AND WARRANTIES

All respondents are required to submit an executed copy of the following Representations and Warranties as an attachment to the letter of introduction described in Section VI of this RFP:

1. Respondent warrants that it will not delegate its fiduciary responsibilities
2. Respondent warrants that it has completed, obtained, and performed all registrations, filings, approvals, authorizations, from all applicable governmental agencies
3. Compliance Disclosure
 - a. Has any regulatory body or market authority issued any orders or other sanctions against your firm in the last five years? If yes, please describe
 - b. Is your firm or any affiliate the focus of any pending or ongoing litigation, formal investigation, or administrative proceedings related to money management activities? If yes, please describe
 - c. Have the principals of your firm been under investigation related to money management activities in the last five years? If yes, please describe
4. Disclose any affiliations, relationships, income sources or other matters that could result in conflict of interest concerns with regard to serving as the LCSCF investment advisor

V. SCOPE OF SERVICES

LCSCF is seeking services to oversee and execute the selection, monitoring, and evaluation of its investment vehicles and programs. The LCSCF will continue to fulfill its fiduciary responsibilities in setting policy regarding the endowment and the investment allocation schedule as well as the spending rate. The LCSCF realizes that to obtain the best investment return with the least amount of risk requires extensive expertise due to today's complex markets and timing. Therefore, the LCSCF seeks services which will include but are not limited to the following:

- Investment Policy and Procedures – review investment-related policies and procedures and make appropriate recommendations for changes
- Portfolio Review and Analysis – monitor and research investment markets. Make recommendations to LCSCF and execute agreed-upon changes in portfolio allocations, investment funds and asset managers to ensure optimal performance

- Reporting – provide monthly summary reports and quarterly performance reports, including but not limited to: performance data and analysis for the total fund and individual asset classes, and comparison to relevant indices and benchmarks. Report quarterly to Finance & Investment Committee in person, if requested
- Securities Gifts – process all endowment and non-endowment securities gifts, including taking actual possession of stock and bond certificates, where applicable, and manage, dispose and liquidate such securities gifts per LCSCF policy. Provide valuation data on date of receipt and sale of stock gifts and other securities
- Cash Management - ensure that adequate cash is available for endowment distributions
- Gift Annuity Agreements – draft and create gift annuity agreements, including the amount of annuity and analysis of tax benefits
- Gift Annuity Payments – process gift annuity payments to annuitants through electronic funds transfer and/or check
- Financial Statement Audit Support – provide annual year end (June 30) financial statement footnote disclosure support, including confirming account balances and supplying supplementary information
- Support - provide a dedicated contact person who will be accessible to LCSCF staff

VI. PROPOSAL SPECIFICATIONS

A. Proposals

Vendor proposals should include the following components:

1. A letter of introduction that:
 - Provides a general description of the firm, its history, its investment philosophy, and its client base
 - Provides 3 or more current client contacts, preferably similar to the investment size of LCSCF
 - Addresses the Minimum Qualifications as set forth in Section III
 - Addresses the desired Scope of Services as set forth in Section V
 - Identifies the individual(s) that would be assigned to the LCSCF account
 - Includes the Representations and Warranties described in Section IV
2. A review of the investment strategy for LCSCF with a discussion of any recommendations
3. A description of the levels of insurance coverage, including the amounts of errors and omission insurance and any other fiduciary professional liability insurance the firm currently has in force
4. Copies of all relevant state and/or national licenses required to act as an investment manager

5. An example of monthly and/or quarterly investment reports and analysis that the vendor would typically provide to the LCSCF Finance & Investment Committee and the Board of Directors
6. A one, three, five and ten-year history of performance (calendar year) and comparison to relevant indices by the firm for client investments that are most similar to the current portfolio of LCSCF
7. A complete FINRA BrokerCheck Report for each individual who will be assigned to the LCSCF account
8. Other data, examples or discussion that may be pertinent to the selection criteria

B. Fee Proposal

LCSCF's expectation of the investment manager is to meet or preferably exceed the relevant market indices in managing the LCSCF investment portfolio. Firms responding to this RFP shall provide a fee proposal to reflect a Passive Management Approach to portfolio management as described below.

Passive Management Approach

Please provide a fee proposal that utilizes a Passive Management Approach for LCSCF's investment portfolio. The proposal shall also include recommended securities to be utilized by the investment firm to achieve the expectations in line with the LCSCF's investment policy.

C. Proposal Response Deadline and Requirements

Completed Responses must be delivered electronically by **March 1, 2022, 5:00 PM Pacific Time**.

Any Response delivered after the Response Deadline will not be considered. Faxed transmissions are not acceptable. One electronic copy (PDF) to be sent to: colleadvancement@lcsc.edu

The questions and/or requests made in this RFP shall be duplicated in their entirety in the Response with each question and/or request repeated before the answer or response.

The Response must be accompanied by a cover letter that should be signed by at least one (1) individual who is authorized to bind the firm contractually. The cover letter must include: a) the firm name, address, e-mail address and telephone/fax numbers; b) the client contact; and c) the title or position which the signer of the cover letter holds in the firm.

VII. SELECTION CRITERIA

The criteria LCSCF will use to evaluate each Respondent's proposal are as follows:

- Performance Analytics and Reporting - proposals will be evaluated based on the firm's ability to monitor, reconcile and analyze portfolio performance and provide quality, comprehensive analytics and reporting in a timely manner
- Proposed Fees - proposals will be evaluated based on the best price structure for the scope of services offered
- Proposed Investment Consulting Services/Plan - proposals will be evaluated based on the firm's full scope of services; its ability to provide value-added discretionary investment consulting services to the Foundation; and its understanding and knowledge of industry challenges and trends
- Asset Allocation, Investment Policy and Portfolio Development - proposals will be evaluated based on the firm's philosophy and approach to asset allocation, investment policy development and risk management; its methodology for recommending changes to the investment portfolio mix; and its process in the search, selection and oversight of investment managers
- Organization, Experience and References - proposals will be evaluated based on the firm's organizational structure, stability, independence, and financial strength; qualifications and/or depth of the professional staff, especially those staff assigned to LCSCF's account; and references endorsing Respondent's level of service, reputation and ability to consistently provide deliverables

VIII. ASSIGNMENT OF CONTRACT AND/OR PAYMENT

The respondent shall not enter into subcontracts, or assign, transfer, convey, sublet, or otherwise dispose of the ensuing contract, or any or all of its right, title or interest herein, or its power to execute such contract to any person, company, or corporation without prior written consent of the LCSCF.

IX. CONTACT INFORMATION

All contacts, questions and other discussions with LCSCF with regard to this RFP are to be submitted electronically and directed to:

Executive Director, LCSC Foundation
 Lewis-Clark State College Foundation
 500 8th Avenue
 Lewiston, ID 83501
 collegeadvancement@lcsc.edu

Any other communication with LCSCF officers or Board members may be considered grounds to disqualify the respondent.

X. TERMS AND CONDITIONS

A. Contract Period/Renewal

It is the intent to award a contract for an initial three (3) year period beginning July 1 with an option for one (1) additional three (3) year renewal. The decision to renew the contract will be at the sole discretion of LCSCF. All fees shall be firm for the term of this contract. The awardee agrees to this condition by signing their proposal.

During the period of the contract or any extension thereof, the LCSCF reserves the right to restate/and or negotiate with the investment manager such additions, deletions or changes as may be necessitated by law, changed circumstances, changes in technology and/or available investments of which the LCSCF may wish to avail itself. However, no increase in quoted fees will be permitted and no additional charges will be added to items or services in the original proposal that remain unchanged.

LCSCF reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the respondent of the conditions contained in this RFP unless clearly and specifically noted in the proposal submitted and confirmed in the contract between LCSCF and the respondent selected.

LCSCF reserves the right to reject any and all proposals with prejudice.

LCSCF may at its option request that those respondents whose proposals are selected for further consideration attend a follow-up meeting to answers questions about the proposal.

B. Terms of Payment

Payment for services will be made by the LCSCF within thirty days of receipt of the invoice.

C. Termination of Service Contract

If, for any reason, the LCSCF or the Advisor should wish to discontinue services, either party must give sixty (60) days' written notice, to terminate this contract.

In the event such action is taken, the LCSCF will reimburse the Respondent for the cost of the services and related costs incurred as of the date of termination.

D. Guaranty of Work

The Respondent shall perform the services covered by this proposal in accordance with methods, practices, and principles accepted by the industry as standard for similar work.

Appendices

LCSC Foundation Investment Policy Statement

LCSC Foundation – Portfolio Summary as of September 30, 2021