

Duluth Library Foundation

Request for Proposals – Investment Management Services

I. Background Information

The Duluth Library Foundation is issuing this Request for Proposal (RFP) to retain a firm to act as an investment advisor and portfolio manager. We are seeking a firm with experience serving non-profit clients. The Foundation is a 501(c)(3) non-profit organization whose mission is to champion the Duluth Public Library and work to increase its capacity to serve the region. The Foundation was formed in 1990 from a bequest left to the library. The investment account value has grown to just over \$2M.

II. Scope of Services and Selection Criteria

This RFP aims to collect information to allow the Foundation to select an Investment Manager that will provide management services for the investment portfolio. Services will include analyzing and advising the Board of Directors and Finance Committee regarding investment strategy, reallocation of assets, investment performance, establishing strategic asset allocation, and developing investment policies. The Finance Committee will independently interview, and select, an Investment Manager based on consideration of the following factors:

- a) Experience of the firm in providing similar Investment Management services;
- b) Experience and expertise of Investment Management professionals;
- c) Client service and client management philosophy;
- d) Investment and risk philosophy and investment process;
- e) Fees;
- f) Alignment with Foundation and Duluth Public Library mission, vision, and values.

The investment Manager selected to perform services will be required to provide investment portfolio performance reports to the Finance Committee and an annual performance report to the Board of Directors.

III. Items Requested from Responding Firms

1. Minimum Qualifications Certification: The Investment Manager must complete the certification on the last page of the questionnaire and provide supporting documentation.
2. Questionnaire: The Investment Manager must address the questionnaire items in the RFP in the order in which they appear. Certain questions require supporting documentation, which should be submitted as attachments to the questionnaire.
3. Fee Proposal: Respondent firms must submit their fee proposal. The fee proposal shall describe the fee structure, including full disclosure of direct and indirect fees, commissions, penalties, and other compensation, including reimbursement for expenses relating to providing the services as described in this RFP. Fees shall be guaranteed for the term of the contract.

IV. Agreement

Any contract(s) awarded will be effective upon the determination of the award. The contract(s) resulting from the process will be for a 5-year term. The Foundation reserves the right to negotiate additional one-year contract renewals, contingent upon satisfactory performance, need, and availability of funds. A contractor performance evaluation may be required at the end of each year.

At the point of the contract, a final detailed agreement concerning services and performance expectations will be agreed upon between the Foundation and the successful firm. The terms of the final contract between the Foundation and the successful firm will be binding and supersede this RFP.

V. Evaluation Criteria

The Foundation will select a firm that represents the best value to the organization. The best value shall not be based solely upon price but on the evaluation factors delineated herein.

Each response will be awarded a numerical rating based on the information provided by the respondents, up to the maximum number of points indicated for each area of consideration. There are 120 points available. The review and evaluation of proposals shall be based on the following criteria:

- a) Processes (25 points) - value-added services; clearly defined, reasonable, and repeatable investment strategy; research and asset allocation methodology; compliance
- b) Performance (25 points) - documented ability to meet investment performance benchmarks
- c) Cost (25 points) - fee schedule and associated costs; competitiveness of management and advisory fees for our non-profit organization
- d) Experience (20 points) - stability and capabilities of the organization; ownership structure and documented expertise of key professionals; credentials, experience; background and qualifications of the manager
- e) References (15 points) - existing client relationships and references
- f) Corporate Values (10 points) - Reputation of the firm and the team that will be working with the Foundation; alignment of corporate values with the values of the Foundation and Duluth Public Library; proven commitment to diversity, equity, and inclusion; commitment to supporting the Duluth community

The Foundation may accept a proposal that is not the lowest cost or strictly adheres to the numerical ratings awarded as set forth in Section V.

VI. Reservation of Rights

The Foundation reserves the right to modify or withdraw this RFP. The Foundation reserves the right to reject all responses to this RFP. The RFP does not equate to an offer to purchase any services or award a contract. All proposal preparation costs must be borne by the firm. Proposals will not be returned to the firm.

The Foundation may seek clarification from the firm and may request additional information from the firm beyond that which is specifically identified in the RFP. The Foundations may conduct negotiations with selected firms and may terminate negotiations at any time. All decisions are conditioned on the approval of the Foundation's Board of Directors. The Foundation reserves the right to modify or supplement this RFP at any time during this process. Any such modifications or supplements shall become part of this process and shall be addressed as part of any proposal submitted.

VII. Submission Deadline

If you choose to respond to this request, please do so by October 2, 2023, to:

Erin Kreeger
Duluth Library Foundation
erin@duluthlibraryfoundation.org
(218) 730-4262
520 W. Superior St.
Duluth, MN 55802

We would also appreciate a response if you decline to submit a proposal.

MINIMUM QUALIFICATION REQUIREMENTS AND CERTIFICATION

Duluth Library Foundation Investment Services

Investment Managers must satisfy each of the following minimum qualifications for this RFP, in order to be given further consideration. Failure to satisfy each of the requirements will result in the immediate rejection of the Investment Manager. Failure to provide complete information will result in the rejection of the Investment Manager. Please write "YES" or "NO" where indicated. If evidence is requested, please provide complete documentation.

1. Investment Advisor/Manager is an investment adviser registered with the Securities and Exchange Commission under the Federal Investment Advisers Act of 1940. (YES/NO):
If yes, please provide Form ADV Part II.
2. Investment Manager and its proposed team have all authorizations, permits, licenses, and certifications required by Federal and State laws and regulations to perform the service specified in this RFP at the time Investment Manager submits a response to the RFP. (YES/NO)
3. If retained for investment management services, the Investment Manager agrees to serve as a fiduciary. (YES/NO)
4. The Investment Manager agrees to provide the services as detailed in the Scope of Services and Selection Criteria section of this RFP and any other requirements as stated in this RFP.(YES/NO)

IF THE INVESTMENT MANAGER PROVIDED A "NO" RESPONSE TO ANY OF THE MINIMUM QUALIFICATION REQUIREMENTS ABOVE, THE INVESTMENT MANAGER SHOULD NOT SUBMIT A RESPONSE.

PLEASE CERTIFY THE INVESTMENT MANAGER'S SATISFACTION OF THE MINIMUM QUALIFICATION REQUIREMENTS BY PROVIDING THE INVESTMENT MANAGER'S AUTHORIZED SIGNATURE BELOW.

Authorized Signer Name:

Title:

Respondent Firm:

Signature:

X

**Investment Advisor/Manager Services Questionnaire
Duluth Library Foundation**

Firm Name:

Contact Person:

Address:

Telephone:

E-mail:

Date:

1. General Information

- a. Identify the location of the main office, and, if different, the office from which services would be provided to the participating agency.
- b. Provide a brief history of your firm and its operations. Include the year formed, ownership structure, and any ownership changes that occurred during the past five years.
- c. Are you willing to assume a fiduciary role in your services as Investment Manager? Do you consider yourself a fiduciary with respect to the recommendation you provide to clients?
- d. Is your firm registered as an Investment Adviser under the Federal Investment Advisers Act of 1940 or exempt from registration? If so, when was the firm first registered? Please provide a copy of your most recent Form ADV, Part II.
- e. Identify and provide biographies of the key personnel who would be assigned to this engagement.
- f. Who makes tactical asset allocation decisions and how involved would they be in the Foundation portfolio management decisions?
- g. Provide a listing of all non-profit clients. Include the size of the funds under management and the length of service to them.
- h. Has there been any litigation against the firm or its principals/owners/officers within the past five (5) years? If so, please describe the claim, whether a lawsuit was filed, the amount of the claim, the type of project and services involved and the resolution of the claim and/or lawsuit.
- i. Please provide a sample contract for Investment Management Services.
- j. Discuss your firm's insurance coverage.

2. Investment Philosophy and Strategy

- a. Describe your underlying philosophy and mission statement as an institutional investment management firm.
- b. Describe your investment strategy for non-profit accounts.
- c. What is unique about your investment strategy? Your organization?

- d. Why is your investment strategy successful?
 - e. Do you report “market” value and “book” value rates of return? Explain.
 - f. Provide us with evidence that your investment advice has been successful over time.
 - g. Do you intend to use the services of an affiliate broker/dealer or custodian institution? If so, describe the financial arrangements with them.
3. Investment Strategy/Performance Information
- a. Describe how you plan to interface with the Finance Committee to provide regular communications on investment decisions and strategy in a discretionary and non-discretionary environment.
 - b. Describe the frequency, format, and scheduled delivery date of reports that your firm would provide the Committee (including the methods and formulas used to calculate yield and performance). Sample reports should be included. List reports available to the Committee online or through other electronic means and explain how Committee members and staff would access this information.
 - c. Describe your trade strategy and trade conduct. Do you use a single provider for execution of fixed-income trades or do you use multiple providers (brokers)? If you use multiple brokers, how many bids do you request when buying or selling fixed-income securities?
 - d. Does your firm develop its own capital market assumptions? If so, explain.
 - e. Please provide investment performance data over the past three (3) years. Benchmark this performance against the appropriate indices.
 - f. Disclose any conflicts of interest. If there are none, please state, “There are no conflicts of interest to report.”
 - g. Describe any support that your firm can provide to non-profits and how you may assist with stock gift donations.
4. Corporate Values
- a. Describe your corporate values on diversity, equity, and inclusion. Provide examples of how your firm has put those values into action.
 - b. Provide examples of how your firm has supported the Duluth community through partnerships, philanthropy, or volunteerism.
5. References
- a. Please be prepared to provide three (3) references who can attest to your firm’s ability to provide investment management services to our organization. These will be requested if your firm is shortlisted.
 - i. We will require the contact name, phone number, email address, and relationship to the contact.