



**Request for Proposal**  
**Investment Custody and Management Services**  
**September 30, 2021**

**Submission of Proposal**

Proposal shall be submitted in accordance with the “Proposal Instructions”. Proposals clearly labeled “**Investment Custody and Management Services**” will be received by Community action until **October 15, 2021** by 3 pm at which time all bids will be considered. Proposals are to be mailed to Finance Manager, 175 Main Street, Battle Creek, MI 49014 or emailed to [accountspayable@caascm.org](mailto:accountspayable@caascm.org). All questions will be directed to **Katherine McNally** at 269-441-1614 or [katherinem@caascm.org](mailto:katherinem@caascm.org).

**Right to Reject Proposal**

Community Action reserves the right to waive irregularities and to accept and/or reject any or all proposals. Community Action reserves the right to consider late proposals (i) if no other bid responses were received (ii) if there are no complete proposal responses received (iii) if Community Action received complete proposal response, but they did not pass the evaluation process; or, (iv) if the award process fails to result in an award.

Community Action may consider an otherwise disqualified proposal responses, if no other qualified proposal responses are received. Further, Community Action may enter into negotiations with one or more business on price, terms, or other deliverables.

**Award**

It is the intent of Community Action to award the Proposal by **October 29, 2021**. Submission of a proposal will be construed as a conclusive presumption that the proposer is thoroughly familiar with the “Proposal Guidelines” and that bidder understands and agrees to abide by each and all of the stipulations and requirements contained therein.

## **General Information**

Community Action is a Michigan non-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Community Action is accepting proposals to provide investment management and custodial services for the organization. The value of the organization's assets available for investment is approximately \$500,000 and the Agency will consider having its investments managed by one or two providers.

In addition, efforts will be made by Community Action to utilize small businesses and minority-owned businesses. An Offeror qualifies as a small business if it meets the definition of "small business" as established by the Small Business Administration (13 CFR 121.201).

It is also understood that if a business is submitting a proposal to Community Action, they are guaranteeing that they are not on the federal listing of Debarred or Suspended Organizations.

## **Proposal Instructions**

Please respond to each question posed, keeping the questions in the order presented.

### **A. About Your Business**

1. Legal business name.
2. Describe the ownership and structure of your business.
3. List your lines of business (including affiliated companies).
4. Briefly describe your business's history: How many years has your business provided investment management services?
5. What is the total number of employees in your business and how many are directly involved in the investment process?
6. Investment Management as a percent of total business:
  - a. What percentage of revenue is from your investment management and advisory services?
  - b. What is your business's total assets under management?
    - Amount of individual assets (percentage of total).
    - Amount of business assets (percentage of total).
  - c. What is the total number of clients under your advisement?
    - Number of individual clients.
    - Number of business clients.
  - d. How many business clients have you added over the past 12 months?
  - e. How many business clients have you lost over the past 12 months?
    - What drove the decision to leave?

7. Please list and describe the investment management services your business offers.
8. What are your business's key strengths, competitive advantages and weaknesses?
9. How does your business define and measure success of your investment management relationships?
10. Please list the federal, state and other regulatory agencies with which your business is licensed or registered and the type of license held that would be pertinent to this RFP.
11. Have any individuals from your business even been disciplined or found guilty by any government regulator for unethical or improper conduct or been sued by a client who was not happy with the work performed by the business?
12. Has your business been found guilty of any federal or state security law of regulation and/or paid a fine to a state regulator, SEC, FINRA or other government agency for a violation of a security statute?
13. Is your business bonded/insured? If so, to what amount?
14. Please provide three client references, preferably clients similar to our organization in terms of size and needs.

## **B. Service Team**

1. Describe the service model applicable for our account (staff, responsibilities, interactions with our account, frequency of in-person meetings, frequency of conference calls, team dynamics).
2. Primary contact for relationship:

Name:

Title:

City, State and Zip:

Phone:

Email:

- a. Overall experience with portfolio management.
- b. Education, honors, designations and other credentials.
- c. Regular activities to stay current on market and regulatory developments.
- d. Area of expertise.
- e. Years with the business.
- f. Role at business.
- g. Number of accounts managed.
- h. Average size of accounts managed.

### **C. Investment Services**

1. Describe your business investment philosophy.
2. Describe your business investment process.
3. Do you offer investment policy statement support? If so, to what extent?
4. What tools does your business use to evaluate and monitor your investments?
5. Describe your investment research resources and capabilities.
  - a. Is your investment research proprietary or from a third party?
  - b. How are our investment benchmarks determined?
6. How often do you hold performance review meetings with clients? What reports do they receive?
7. What actions do you take when investments are not performing?
8. What is your termination process?
9. How do you manage risk? Beyond portfolio diversification, what are some of the strategies or techniques you use to manage market risk?
10. Give an example of how your risk management techniques worked to minimize losses and/or negative effects of liquidations needed during a significant downturn in the market.

### **D. Fiduciary Status, Back Office and Compliance**

1. Do you intend to act as a fiduciary?
2. Describe any potential conflicts of interest that may arise if your business is selected to provide services.
3. Does your business have a written policy for addressing conflicts of interest? (If yes, please attach.)
4. Do you trade with discretion?
5. Who is your custodian? What additional fees are associated with this service?
6. Do you route trades through a third party?
7. Do you provide monthly statements? If so, please provide a sample statement.
8. What other relevant issues should we be aware of/focused on?

## **E. Fees**

1. How is your business compensated for services?
2. What percentage of your business's revenue is derived from?
  - Commission relationships?
  - Advisory relationships?
3. Does your business receive any form of compensation or benefits from companies or individuals whose products or services you may refer or recommend?
4. Does your business receive any soft dollar benefit for products, services or research used in the investment process?
5. Please describe all fees for services for our account under this proposal.
6. Are you willing to guarantee our fees for a specific period of time?
7. Does your business provide a written agreement of a letter of engagement detailing services provided to our account?

## **F. Technology Security & Business Continuity**

1. Are there any specific technological applications needed to interface with your business?
2. Please describe your business's data security measures.
3. Please describe your business's disaster recovery plan.

## **G. Sample Portfolio**

1. The Agency requests that the proposer develop a sample investment portfolio for the Agency. Proposers are requested to research and recommend investments that will prudently manage risk in accordance with investment objectives of 60% equities investments and 40% fixed income investments. Proposers selected for the interview stage should be prepared to discuss their recommendation with the Executive Committee, CEO and Director of Finance, including all associated fees and costs.

# PROPOSAL SHEET

## Community Action REQUEST FOR PROPOSAL

Proposal Submitted for: Investment Custody and Management Services

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

Contact Name: \_\_\_\_\_

Please attach 3 references to this page

Please circle if staff have a relative employed at Community Action: Yes No

Are there any known or possible conflicts of interest with Community Action?

\_\_\_\_\_

Please circle all that apply      Woman owned      Minority Owned      Small business

I agree to abide by all the terms of this request for proposal unless otherwise stated in the proposal.

\_\_\_\_\_

*Authorized Signature*

\_\_\_\_\_

*Date*

\_\_\_\_\_

Print Name, Title

Return form and information for proposal in a sealed envelope to, 175 Main St. Battle Creek, MI 49014 or email to [accountspayable@caascm.org](mailto:accountspayable@caascm.org)