



Request for Proposal

Investment Advisory Services

Section 1 – Introduction

A. Summary of RFP

The City of Delaware is currently seeking proposals from qualified investment advisory firms interested in administering the long-term portfolio for the City. The City intends to maintain a portion of the overall treasury invested with STAR Ohio, a compensating balance with the City's main depository, and the remaining balance \$50 million to be allocated to the selected investment advisor. The primary objective of requesting proposals is for the City to determine which firm can offer the highest quality of service with the goal of maximizing investment income while focusing on the preservation of principal while investing in securities in accordance with the Ohio Revised Code and the City's Investment Policy. This process also provides the City with the opportunity to explore alternative procedural methods that could improve the management of the overall portfolio.

The City intends to establish a three-year contract, with an additional three-year renewal option. The conditions of the proposal must remain valid for a minimum contract term of three years. As a matter of policy, the City may issue an RFP for investment advisory services at the end of the term. Either party may cancel the contract for any reason with 90 days written notice.

Electronic proposals will be accepted until 5:00 p.m. on April 12, 2021. Responses must address all of the items listed in this request for proposal and submitted via email with the subject line "Investment Advisory Services Proposal" to jnahvi@delawareohio.net.

Questions or request for clarification may be directed to Justin Nahvi at (740) 203-1208 or email at jnahvi@delawareohio.net.

B. Governmental Background

The City of Delaware is a full service community providing a high level of services to its residents. Services include: Police, Fire/EMS, Street Maintenance, Public Utilities, Refuse, Parks and Recreation, Municipal Court, and other administrative functions. The City operates under and is governed by its Charter, adopted by the voters in 1951 and which has been and may be amended by the voters from time to time. The Charter provides for a Council-Manager form of government. The City is also subject to some general laws applicable to all cities. Under the Ohio Constitution, the City may exercise all powers of local self-government, and police powers to the extent not in conflict with applicable general laws.

Legislative authority is vested in a seven-member Council, of whom three are elected at-large and four are elected from wards, for four-year terms. The Council fixes compensation of City officials and employees, and enacts ordinances and resolutions relating to the City services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades, and other municipal purposes. The presiding officer is the Mayor, who is elected by the Council for a two-year term. The City's Charter establishes certain administrative departments; the Council may establish divisions of those departments, and additional departments.

The City's chief executive and administrative officer is the City Manager, who is appointed by the Council to serve at its pleasure. The City Manager may be removed by a vote of four members of the Council. The City Manager appoints the directors of City departments including the Director of Finance. City Council shall have no power by ordinance or otherwise to direct or require the City Manager to award any contract to any person, firm, or corporation as a condition of authorizing such contract, or otherwise.

The Director of Finance shall administer the Treasury of the City. All money received by any officer or employee of the City, for or in connection with the affairs of the City, shall be paid without delay into the City Treasury. Public money, other than that of the City coming into the hands of any officer or employee of the City, shall be paid into and kept in the Treasury and administered as other moneys therein, except as may be otherwise required by law applicable thereto.

The City's annual operating and capital budget for 2021 is approximately \$121 million and the City maintains operating reserves of approximately \$25 million. During 2020 the City's average month-end cash balance (active and inactive) was \$93.0 million. The City uses the State Treasury Asset Reserve STAR Ohio Local Government Investment Pool which held a balance of \$69.1 million as of January 2021. Funds are transferred to and from STAR Ohio on an as needed basis to meet cash needs and maximize earnings. The City of Delaware has a work force of approximately 325 full-time and 75 part-time/seasonal employees.

C. Timeline for Procurement Process

The following is the RFP Schedule & Key Dates

TIMELINE	
Distribution of RFP	March 15, 2021
Pre-Proposal Q&A meeting via Microsoft Teams	March 22, 2021
City's deadline to respond to questions	March 29, 2021
Proposal Submission	April 12, 2021
Interview top 3 Firms	April 26-27, 2021
Final Selection	May 3, 2021
Implementation	May 2021

Section 2 – Questionnaire

A. Background and Overview

1. Describe your organization, date founded, ownership structure and affiliates of the firm.
2. Describe any potential conflicts of interest relevant to the City.
3. Describe all SEC or other regulatory actions and any litigation involving your firm or its employees within the past three years.
4. Outline the errors and omissions (professional liability) and fidelity bond coverage your firm carries.
5. Identify the type of public fund accounts primarily sought by your firm.
6. Provide a concise description of specific abilities and benefits that your firm can bring to the City.

B. Personnel

1. Identify and provide background information on any key person or personnel who would be directly involved in the decision-making process for the City's portfolio.
2. What effort does your firm make to keep portfolio managers informed of developments relevant to government investment managers?
3. Identify the investment professionals (portfolio manager, analysts, researchers, etc.) employed by your firm and specify the average number of accounts handled by portfolio managers.
4. Describe any turnover of portfolio managers and professional support staff over the last five years.
5. Outline efforts that your organization has undertaken to implement a diversity and inclusion plan.

C. Experience

1. Describe your firm's experience in working with governmental entities and managing public funds.
2. What is your firm's experience in developing policies and portfolio management guidelines for governmental entities?
3. Provide the number and types of accounts, total asset value, and composition of portfolios being managed by your firm.

D. Investment Management Approach

1. What are the primary strategies for adding value to public fund portfolios?
2. How do you handle fluctuating cash flows and the cash forecasting process?

3. How frequently will your team meet and/or communicate with the City in reviewing the portfolio?
4. What oversight is provided to portfolio managers?
5. How are portfolios managed by a team or individual? If managed by individual, who would manage the accounts, when the individual is away?
6. Describe your ongoing daily investment procedures. Include procedures for trades, security selection, controls, monitoring available funds for investments, etc.
7. How do these procedures influence the City?

E. Reporting

1. What reporting capabilities does your firm have to assist the City in managing and reviewing the investment portfolio?
2. Describe the frequency and format of reports that you would provide. Include a sample copy.
3. Describe the methods and sources of data used for analyzing the performance of investment managers and their portfolios. Specifically, include the monitoring of performance, risk, liquidity, style, etc.
4. What performance benchmarks do you propose for this portfolio and how often would they be reviewed?

F. Fees

1. Include your list of services and the complete fee schedule that would apply to this account.
2. List any additional costs that would be incurred by the City to implement your investment strategy including startup costs.

G. Fees

1. Provide three (3) governmental references, including the length of time they have been with your firm, contact person, phone number, and mailing address.

H. Summary

1. What makes your firm stand apart in providing your services to the City? What value added components can be used by your firm to provide us with a successful investment program? Please describe these services and provide examples where you have used them with other similar clients.