



Investment Consultant Request for Proposals

Introduction & Important Information:

Act Summary:

ACT for Alexandria (“ACT”) is a community foundation based in Alexandria, Virginia. Our mission is to improve the lives of Alexandrians by turning ideas into action and resources into results. ACT is a tax exempt, nonprofit entity. A significant portion of the Foundation’s work is focused on building long-term endowments to support the work of a wide variety of charitable causes in the city of Alexandria.

ACT is currently seeking proposals from consultants and/or firms to provide investment consulting services and assistance with its investment process. Currently, ACT has about \$20,000,000 in investable assets, of which \$9,000,000 will be coordinated with the selected Investment Consultant.

This request for proposal (“RFP”) is being made available to a number of firms. ACT’s Investment Committee will review all qualified, submitted proposals and will ask three (3) applicant consultants and/or firms to make a full presentation to the Finance and Investment Committees jointly. The Committees will convene and make a recommendation to the full Board of Directors as to the finalist applicant. The finalist applicant is subject to final interview and approval by the Executive Committee prior to any engagement for service.

Scope of services:

ACT has an Investment Policy Statement (IPS). The main roles of the investment consultant will be to review the existing policy and make recommendations, as necessary; to enhance the policy statement; to report and measure portfolio performance; counsel on the selection and monitoring of an investment manager; and provide appropriate education and background information regarding market conditions, asset allocations and such other related matters to the Finance and Investment Committees.

Additionally, the investment consultant shall provide the following services

1. Reviewing, disclosing, and addressing all potential conflicts of interest
2. Recommending rebalancing and tactical shifts between Investment Managers to the Investment Committee
3. Monitoring the appropriateness of each Investment Manager’s strategy given ACT’s overall investment strategies, philosophies, and objectives
4. Monitoring the investment performance of each Investment Manager compared to the benchmark established for that manager
5. Preparing and delivering quarterly performance reports on a timely basis reflecting the status of ACT’s investments to the Investment Committee and/or Board and written statements which will include a summary of the actions taken with respect to the Community Foundation’s assets under management and the rationale behind those actions
6. Periodic educational presentations to the Finance and Investment Committees on asset allocations strategies, new asset classification opportunities, etc.; and
7. Present annually to ACT’s Board of Directors

Submission instructions:

Please submit at least one (1) hard copy and one (1) electronic copy of your proposal to:

U.S. Mail

ACT for Alexandria
201 N. Union Street, Suite 110
Alexandria, Virginia 22314

E-Mail

Heather Peeler
heather.peeler@actforalexandria.org

All proposals must be received (not postmarked) by: 12:00 p.m. on Friday, October 29, 2021. Proposals deemed late or incomplete will not be considered.

Timeline:

- RFP sent: Wednesday, September 22, 2021
- Submit questions via website at <https://www.actforalexandria.org/about-us/career-opportunities/request-for-proposals/> by: Wednesday, September 29, 2021
- ACT will respond to questions by: Wednesday, October 6, 2021
- Final RFP submissions due by: Friday, October 29, 2021
- You will be notified of interview invitation / presentation on or before: Friday, November 19, 2021
- Final Decision: Mid-December 2021
- Start Consulting Services: Early Q1 2022

Limitations:

- ACT reserves the right, in its sole discretion, to reject any and all responses and to waive any irregularity or informality in any response.
- ACT shall not be liable for any costs and/or expenses incurred by respondents throughout this process.
- ACT cannot return any proposals or promotional materials.

Your Firm's Overview / Background Information:

A complete proposal should address the following inquiries:

- The full legal name of your firm and the address, telephone number and other contact information for your main office, the office that will service our organization (if different), and the primary representative who will be assigned to our relationship.
- Description of your client base, including types of clients served, the number of nonprofit clients, the length of time of service, and the range of asset values among your nonprofit clients.
- Key strengths of your firm or team that distinguish you from competitors.
- Additional value-added services could you provide our organization.

- Detailed response as to you (your firm's) experience with non-profit organizations, including a count of how many are currently under management and the size of those organizations.
- Include a description of your (your firm's) philanthropic commitment within the DC-Metro area.
- Include a description as to your (your firm's) commitment to diversity, equity, and inclusion.

Standards of Conduct and Conflicts of Interest:

A complete proposal should address the following inquiries:

- Does your firm have a written code of conduct or a set of standards for professional behavior? If so, how are they monitored and enforced?
- Has your firm adopted the CFA Institute's Code of Ethics and Standards of Professional Conduct? If so, how is employee compliance monitored?
- How are consultants' recommendations to clients reviewed and monitored by your organization? Does your firm adhere to a level of consistency in consultant recommendations?
- Within the last five years, has your organization or an officer or principal been involved in actual or threatened litigation, administrative or regulatory, or similar investigation proceedings relating to your investment consulting assignments? If so, provide an explanation and indicate the current status or disposition. Under disposition, include any censures, penalties, fines or reprimands received from regulatory bodies.
- Has your firm ever been required to pay damages or penalties or trade or relinquish something of value under any of its existing or past contracts as it relates to services similar to those contemplated by this RFP? If so, describe the situation.
- How does your firm identify and manage conflicts of interest?
- Are there any circumstances under which your firm, or any individual in your firm receives compensation, finder's fees or any other benefit from investment managers or third parties? Are there any circumstances under which your firm, or any individual in your firm pays compensation, fees or any other benefit to investment managers or third parties? If yes, please describe in detail.

Client Support Team:

A complete proposal should address the following inquiries:

- How will the team supporting our organization be structured? Please provide biographies of the key individuals assigned to our relationship, including names, titles, educational background, professional experience and industry credentials.
 - a. Who will have day-to-day investment oversight?
 - b. Who will be the lead client service representative?
 - c. Who will be responsible for operational support and from what office?
- Describe how often would your team be willing to meet with our committee?
 - a. What topics would typically be discussed?
 - b. What would be the typical format of these meetings?

Investment Philosophy and Process:

A complete proposal should address the following inquiries:

- Do you monitor compliance with a client’s investment policy, and, if so, how?
- Please describe your portfolio construction methodology for community foundations.
- Please describe your portfolio construction methodology for low, moderate and higher risk asset allocations.
- To the extent that you use asset managers, how do you select them and what criteria do you use for determining that it is time to terminate them?
- Under what circumstances would you recommend changes to asset allocations in response to changes in the market environment?
- Describe your firm’s approach in advising and assisting clients during periods of extreme market volatility.
- Describe your firm’s capabilities with respect to investing in ways that improve equity and environmental sustainability.
- Provide a sample of an investment manager evaluation report.

Performance Reporting:

A complete proposal should address the following inquiries:

- What is the frequency of your reporting and the standard timeframe for receiving each report after the reporting period ends?
- Do you provide clients with online access to account information?
- Please provide a sample of the quarterly investment management report that you would provide to our board members.

Custody and Operations:

A complete proposal should address the following inquiries:

- Please provide sample screenshots that illustrate your on-line reporting and other capabilities.
- Describe your firm’s expectations for selected investment managers in the following areas:
 - a. On-line capabilities:
 - b. For retrieving reports?
 - c. For transferring funds?
 - d. For updating account static data?
 - e. For adding accounts?
 - f. For monitoring account valuations
 - g. For frequency of valuation reporting?
 - h. For processing gifts of marketable securities (to receive and liquidate securities and remit the proceeds to our operating account)?
- If we were to select your firm, how would you manage the transfer from our existing vendor? What level of participation do you require from our staff? How much time would you need from signed contract to full transfer?

Fees: _

A complete proposal should address the following inquiries:

- Please provide the proposed fee schedule for our relationship. Include a breakdown of services provided including consulting, custody, transaction and management fees, if any. This should be a comprehensive schedule of fees that would apply to ACT's account. Please identify proposed fees as fixed or variable and the basis for determining variable fees (if any).
- Provide a list of services not included in the fee schedule above for which you typically would charge an additional fee.
- Please explain if any incentive or contingent payments are included in the proposal.
- Please share expected billing and payment terms.

References:

Provide at least three references for clients for whom you now work that are similar to ACT. Please describe the type of client, how long they have been with you, the size of the account, and provide a name, email address, and phone number for the contact person.