

Town of Barrington RI

Request for Proposal for

Investment Management Services

for the Amey Spencer Trust Fund

DESCRIPTION

The Amey Tucker Spenser Fund is a charitable trust. Currently the portfolio is approximately 3.8 million dollars. The mission of the Trust is to benefit the poor and unfortunate people of the Town of Barrington, with the income derived by the Trust. The Trust is governed by a Board of Trustees. The Board is comprised of 6 members, elected members of the Town Council and the Finance Director. For more information please contact the Finance Director, Kathy Raposa at kraposa@barrington.ri.gov.

MINIMUM QUALIFICATIONS OF PROPOSER

Size of Business: The Proposer must currently manage at least \$50 million in investor assets and have been in business for at least five (5) years as of December 31, 2014.

Authorized to Conduct Business in Rhode Island: The Proposer must be authorized to conduct investment management services in Rhode Island. Brokers, dealers and service providers must be registered and properly licensed to conduct business in Rhode Island.

Equal Opportunity Employer: The Proposer must be an equal opportunity employer.

SUBMISSIONS BY PROPOSER

1. TRANSMITTAL LETTER

Proposer must submit a transmittal letter including the main contact and his or her information for the purposes of this RFP, location and contact information of the Firm.

2. BUSINESS REFERENCES

References shall be provided in accordance with Section 8.c., herein.

3. REQUIRED FINANCIAL INFORMATION

Proposers must submit one copy of their most recent corporate annual report

4. CONFLICT OF INTEREST

The Proposer must certify in writing that no conflict of interest or appearance of a conflict of interest exists in the execution of duties and services related to this RFP.

5. LEGAL REQUIREMENTS

The Proposer must submit certification that the Firm has not been in bankruptcy and/or receivership within the last five (5) calendar years, nor that said event(s) are reasonably foreseeable at this time. If incorporated, identification of the Proposer's state of incorporation and a statement that the Proposer is in good standing in that state, and, if incorporation is not in Rhode Island, a statement that the Proposer has complied with all the filing requirements of the Rhode Island Secretary of State.

6. ORGANIZATIONAL STRUCTURE

The Proposer shall give a brief history of its organization including the following:

- a. Year of organization or incorporation
- b. Year of initiation of the investment management business
- c. Nature of the Firm's ownership
- d. Nature of relationships with affiliated companies or joint ventures
- e. Describe the organizational structure of your firm, bank, or investment management company. Provide an organizational chart showing the operating relationships and authority within the investment management business and within the organization.

7. INVESTMENT APPROACH / STRATEGY

- a. Describe your institution's approach or strategy for management of municipal funds
- b. What unique talents or features do you provide relative to other investment advisors?
- c. What asset allocation or range of percentages of asset classes would you recommend for an investment portfolio like the Town of Barrington, Amey Tucker Spencer Trust Fund?
- d. What objective metrics would you employ to benchmark investment management performance
- e. For the investments described in your approach, and suitable for our portfolio, please provide year-to-date, and one-, three-, and five-year annualized returns as of the most recent quarter end, versus the appropriate benchmarks
- f. Would you serve our account to Fiduciary Standards?

8. INVESTMENT MANAGEMENT, FIRM METRICS

- a. What is the total market value of all discretionary and non-discretionary investment assets? Describe the number and types of relationships.
- b. Please provide, in descending order by asset size, the ten (10) largest relationships as of December 31, 2014. Include the nature of the account, asset size, asset allocation and tenure of the relationship.
- c. Please provide a contact name and telephone number for three (3) references that have an investment portfolio similar to the Town of Barrington, Amey Tucker Spencer Trust Fund.

9. PROFESSIONAL STAFF AND CLIENT RELATIONS

- a. Identify the key individuals and specific responsibilities of those who would be assigned to the Town of Barrington, Amey Tucker Spencer Trust Fund account. Describe their responsibilities and provide biographies on each person.
- b. Identify the types of clients and account sizes that each of these staff members currently service.

10. INTERNAL AUDIT CONTROL

- a. In addition to external auditors, do you utilize an internal audit staff to review investment management operations? Describe the internal audit organization. Include size of staff and nature of the internal audit staff reports.
- b. How do you assure that investment management services are provided in accordance with proper standards of care, regulatory requirements and the executed agreement for services?
- c. Describe the process your organization uses to evaluate the effectiveness of internal controls and the on-going monitoring of the internal controls.
- d. Describe your audit process associated with the client's monthly portfolio statements. Also describe your reconciliation with clients and outside managers.
- e. Describe the various types of insurance coverage and indemnification provided to protect client of services proposed.
- f. Briefly list and describe the nature of all errors and/or weaknesses that were discovered as a result of an outside review of your internal controls. What steps have been taken to correct the errors or otherwise improve the controls?

11. CUSTODY

- a. Explain how investment assets are held in custody.
- b. Describe your custody capabilities in detail.
- c. Briefly discuss your policy and procedures for assuring that each client's assets are properly held in safekeeping and positions are accurately maintained in your accounting records. Include information on segregation of assets and distinction between physical and book entry positions.
- d. How do you provide for the timely delivery of proxies and proxy statements?
- e. How do you report (within your system and to clients) corporate actions?

12. PORTFOLIO ACCOUNTING

- a. Describe the history of the accounting system(s) and any major system enhancements that have occurred in the last three (3) years. What changes are planned for the future?
- b. What is the lag time between trade execution, availability of on-line transaction data to the Town of Barrington, and the posting of transactions to your accounting system?
- c. Describe your procedure for computing and reporting realized gains and losses on securities sold.
- d. Provide information on your primary and supplementary pricing sources, frequency, and the mode of receipt and input of security prices. Describe your process for validating prices and using information from the supplemental sources.
- e. What is the process of incorporating new investment vehicles into your system? Who is responsible for maintaining your securities database and what are their specific responsibilities?
- f. Discuss your capabilities to report brokerage commissions by account and transactions.
- g. How are errors corrected and reported to the client?

13. REPORTING

- a. Provide a complete description of your proposed reporting package, including any unique features of your standard and custom reporting packages.
- b. Discuss the timeliness of delivery of statements and reports by hard copy and by electronic delivery. Indicate the availability of electronic feeds for transactions, cash balances and any other relevant information.
- c. What steps are taken to assure the accuracy of your reports?
- d. How frequently would your firm present in-person investment reviews to our committee?

14. FEES

Please provide a detailed fee schedule for investment management, consulting, custody services and related back-office services. Please submit an all-inclusive fee proposal and identify whether it is based on the market value of account assets. Please identify all services included in your fee quote.

15. MISCELLANCES

- a. One or more interviews with the RFP reviewing panel may be required.
- b. It is the intention of the Town to negotiate a trust fund management agreement and finalize an investment policy with the most responsive and responsible proposer within the first quarter of 2016.
- c. The Town, in its sole judgement, reserves the rights to overlook minor errors, inconsistencies, omissions, and/or details in submitted proposals, and even to forego making an award in connection with this RFP process.