



COORDINATING COMMITTEE

PUR-1413
ADDENDUM NO. 2

REQUEST FOR PROPOSALS
REGARDING QUALIFICATIONS AND EXPERIENCE /
TECHNICAL PROPOSALS AND PRICE PROPOSALS
FOR INVESTMENT SERVICES

DATE: Tuesday, February 19, 2019

Proposals Due: Thursday, February 28, 2019
4:00 P.M.

To Bidders:

This Addendum is hereby made a part of the Contract Documents on which all proposals will be based and is issued to correct and clarify the original documents.

Please acknowledge receipt of this Addendum in the Q & E/Technical Proposal submittal. This Addendum consists of four (4) pages and one (1) attachment.

NOTE: All Bidders must enter the Washington County Administration Complex through either the front door at the 100 West Washington Street entrance or through the rear entrance (w/blue canopy roof) which is handicap accessible and must use the elevator to access the Purchasing Department to submit their proposal and/or to attend the Pre-Proposal Conference. Alternate routes are controlled by a door access system. Washington County Government has announced new security protocols being implemented at the Washington County Administration Complex at 100 West Washington Street, Hagerstown. The new measures took effect Tuesday, February 14, 2017. The general public will be subject to wand search and will be required to remove any unauthorized items from the building prior to entry. Prohibited items include but are not limited to: Weapons of any type; Firearms, ammunition and explosive devices; Cutting instruments of any type - including knives, scissors, box cutters, work tools, knitting needles, or anything with a cutting edge, etc.; Pepper spray, mace or any other chemical defense sprays; and Illegal substances.

ITEM NO. 1: *Inquiry:* The rfp asks a number of questions about custody. Are you looking for the candidate to provide custody and investment services?

ADDENDUM NO. 2

Investment Services

PUR-1413

Page 2

Response: Investment services only. M&T is the custodian of our funds. The language related to custody services will be removed from the RFP.

ITEM NO. 2: Inquiry: The rfp and sample contract refers to the investment services provider by several different titles. Are you looking for an investment manager to buy and sell individual securities in a portfolio or an investment consultant to provide comprehensive portfolio management services including asset allocation, investment policy development, manager selection, periodic reporting?

Response: The County is not looking for a manager to buy and sell individual securities. The County is seeking a fully discretionary investment manager to provide comprehensive portfolio management including asset allocation, investment policy development, and periodic reporting.

ITEM NO. 3: Inquiry: Are you seeking discretionary investment services (sometimes referred to as OCIO) or non-discretionary services?

Response: Discretionary investment services.

ITEM NO. 4: Inquiry: Could you please share a recent quarterly report for the portfolio?

Response: The County is requesting in the Q&E, your best thinking as an investment manager. The County does not wish to provide this information.

ITEM NO. 5: Inquiry: What are the current fees being charged by the incumbent? Does the incumbent serve as the advisor for the total portfolio as well as the manager for portfolio allocations?

Response: Approximately \$306,831.40. Yes, the incumbent serves as advisor and manager.

ITEM NO. 6: Inquiry: Can you provide the most recent actuarial reports for each Fund?

Response: Please refer to our financial statements available
<https://www.washco-md.net/wp-content/uploads/2019/02/budfin-fy18-audited.pdf>

ITEM NO. 7: Inquiry: Can you clarify why there are two separate price proposal forms (Attachment G) – one for \$150 million and one for \$75 million? Is it possible that two vendors will be selected and split the management of the assets?

Response: No, only one vendor will be selected to manage the assets. See the **Revised** Attachment G to this Addendum.

ITEM NO. 8: Inquiry: On pages 7 and 8, Section VIII, B. 2 & 3 – these questions appear most relevant for custodian services, rather than investment services. Will the investment manager also be required to custody the assets?

Response: Part 1 of Item No. 8 herein: Refer to the RFP document, Page 7, Request for Submittals, VIII., Submittal Instructions, B.2.; **DELETE** this section in its entirety.

Part 2 of Item No. 8 herein: Refer to RFP document, Page 8, Request for Submittals, VIII., Submittal Instructions B.3a and B.3d; **DELETE** these two sentences **only** in their entirety.

ITEM NO. 9: *Inquiry:* Under the headings “Evaluation Benchmarks” (pg. 17), “Fixed Income Manager Guidelines” (pg. 20), and “Investment Performance Objectives” (page 21), the Lehman Brothers Aggregate Bond Index, and the Lehman High Yield Credit Bond Index are referred to as Evaluation Benchmarks. Is it appropriate to expect the respective replacement “Barclays” indexes are to be utilized instead?

Response: Yes.

ITEM NO. 10: *Inquiry:* Will a “red-lined” version of the “Investment Services Consultant Contract” be accepted?

Response: No, the County will not accept a “red-lined” version of the Investment Services contract.

ITEM NO. 11: *Inquiry:* What is the current funding level of the pension?

Response: 51.55% funding ratio.

ITEM NO. 12: *Inquiry:* What is most important to you as you seek a new discretionary investment services relationship? What are the current concerns and priorities for the Investment Committee?

Response: Maintaining a strategy that not only protects County funds but grows County funds to provide for a stable and prosperous future.

ITEM NO. 13: *Inquiry:* Could you please provide your current asset allocation for the Defined Benefits Retirement Plan, Length of Service Award Program (LOSAP) and Other Post-Employment Benefits (OPEB) pools?

Response: No, the parameters for investments are shown in our investment policy.

ITEM NO. 14: *Inquiry:* Could you please provide any and all performance reports provided by the incumbent on the Defined Benefits Retirement Plan, Length of Service Award Program (LOSAP) and Other Post-Employment Benefits (OPEB) pools?

Response: No.

ADDENDUM NO. 2

Investment Services

PUR-1413

Page 4

ITEM NO. 15: The *Revised* Proposal Form, page 41 is included in this Addendum; the revision **deleted** the \$75 million-dollar Form of Proposal.

ITEM NO. 16: Proposers shall complete and submit the original Affidavit, Provisions for Other Agencies and the attached *Revised* Proposal Form (Attachment G) as their RFP submittal by no later than **4:00 P.M. (EST), Thursday, February 28, 2019.**

By Authority of:



Rick F. Curry, CPPO
Director of Purchasing

WASHINGTON COUNTY
COORDINATING COMMITTEE

**PUR-1413
REVISED PROPOSAL FORM
INVESTMENT SERVICES**

The Firm of: _____

Hereby agrees to provide the requested services as defined in the proposal, attachments thereto, and

Addenda No. _____ dated _____, No. _____ dated _____, No. _____ dated _____

at the following annual lump sum contract prices based on assets of \$150 million:

| | | | | |
|----------------------|------------------------------------------|---------|-------------|------------------|
| Contract Year No. 1: | _____ basis points or _____ (Written) | Dollars | (\$ _____)* | _____ Figures |
| Contract Year No. 2: | _____ basis points or _____ (Written) | Dollars | (\$ _____)* | _____ Figures |
| Contract Year No. 3: | _____ basis points or _____ (Written) | Dollars | (\$ _____)* | _____ Figures |
| Contract Year No. 4: | _____ basis points or _____ (Written) | Dollars | (\$ _____)* | _____ Figures |
| Contract Year No. 5: | _____ basis points or _____ (Written) | Dollars | (\$ _____)* | _____ Figures |

Total Lump Sum for Contract Years 1 through 5 (Total Sum of * Items above):

_____ Dollars (\$ _____)
 (Written) (Figures)

OTHER FIRM COMPENSATION

(Non-monetary compensation, markups, concessions, etc.)
