



Public

Open Session Item

SUBJECT: Contract Award (PUR-1668) – Investment Services for the "Defined Benefits Retirement Plan for the Employees of Washington County" and the "Length of Service Awards Program (LOSAP)" for the Washington County Emergency Services Volunteers

PRESENTATION DATE: April 9, 2024

PRESENTATION BY: Rick Curry, CPPO, Director of Purchasing and Alton Fryer (the County's Contracted Provider for Record-Keeping/Actuarial Services), Committee Facilitator

RECOMMENDED MOTION: Move to award the contract to the responsive, responsible proposer with the lowest fee schedule over five (5) years.

REPORT-IN-BRIEF: Washington County requires the services of a firm to provide investment services for the "Defined Benefits Retirement Plan for the Employees of Washington County", for the "Length of Service Awards Program (LOSAP)" for the Washington County emergency services volunteers, and for the Other Post-Employee Benefits Plan (OPEB). The contract is for a one (1) year period, with an option by the County to renew for up to four (4) additional consecutive one (1) year periods.

The RFP was advertised in the local newspaper, on the State's *eMaryland Marketplace* web site, as well as on the County's web site. Thirty-five (35) persons/firms downloaded the RFP document. The Committee was comprised of the following members: County Administrator (Chairman), County Chief Financial Officer, County Purchasing Director, County Health & Services Director, Human Resources Manager for City of Hagerstown, and the Western Maryland Consortium Executive Director. Representatives from Bolton Investment consulting Group Benefits and Insurance Services served as the Facilitators for the Committee.

The Committee not only considered the firm's fee proposal, but also their qualifications and experience, investment philosophy, past performance, and responsiveness to the RFP. Four (4) proposals were received for the Committee's evaluation in response to the RFP. One (1) Qualifications & Experience Proposal submittal was considered responsive, and the Committee evaluated the Technical Proposal of the one (1) firm and evaluated their Price Proposal as indicated on the attached Price Proposal Information sheet. Three (3) firms' Qualification & Experience Proposal were considered non-responsive for not providing the required client information or their references did not respond to the reference check call.

The fee schedule of Marquette Associates, Inc. covers all client expenses and charges; that is, there are no additional fees or expenses outside of the scope of the RFP. In the unusual circumstance

where there would be a request for services outside the scope of the RFP, additional fees, if any, would be negotiable. During the previous contract, there were no additional fees.

DISCUSSION: N/A

FISCAL IMPACT: Fees are supported by the Fund's return on investment.

CONCURRENCES: As recommended by the Coordinating Committee

ALTERNATIVES: N/A

ATTACHMENTS: Excerpt from the RFP containing the "Scope of Work"

AUDIO/VISUAL NEEDS: N/A

SCOPE OF REQUIRED SERVICES

- A. The qualified investment manager shall bid on all three (3) plans or none.

- B. The County is requesting proposals from qualified investment managers who will assume responsibility for directing approximately two hundred thirty-three million, four hundred thousand (\$233.4M) dollars of plan investments in accordance with established investment policy. Proposing investment managers must be fully and currently licensed by all appropriate Federal, State, and industry agencies to provide fee-based investment consulting services to the retirement plan. Specific responsibilities of the selected investment manager will include:
 - 1. Comply with all applicable laws, regulations, and rulings.
 - 2. Be currently registered and maintain registration as an investment advisor under the Investment Advisors Act of 1940 (the "Act"), or an insurance company qualified to perform investment management services under the laws of more than one state unless otherwise approved on an exception basis.
 - 3. Manage the portion of the Funds' assets under their control in accordance with the Investment Policy and any applicable management agreement or prospectus.
 - 4. Acknowledge in writing their fiduciary responsibility (if applicable) and fully comply with all portions of the IPS applicable to the Investment Manager, and as modified in the future.
 - 5. Exercise full investment discretion within the policies and standards established as to buy, hold, and sell decisions for the Funds' assets under management.
 - 6. On at least a quarterly basis, reconcile the account's positions with the Funds' designated custodian.
 - 7. Unless the Funds have retained a proxy voting service, exercise the proxy voting rights related to securities held in its portfolio in a manner consistent with the economic best interests of the Funds.
 - 8. If applicable, notify the Investment Committee if any time the Investment Manger feels that the guidelines in this IPS restrict the Investment Manger's performance, or that the objectives cannot be met.
 - 9. Notice any regulatory action or finding against the firm in the past three (3) years. Is there any pending SRO action against your firm.
 - 10. Prior to subcontracting the services, the investment manager shall request the approval from the County.
 - 11. If the investment manager wishes to utilize a subcontractor, the County has the right to accept or reject the subcontractor.

- C. Quarterly, all investment asset managers will meet either on-site or via telephonic meeting with the Retirement Committee and/or Board of County Commissioners as mutually agreed upon, the agenda of which will include, but not be restricted to:
1. A review and re-appraisal of the investment program;
 2. A commentary on investment results in light of the appropriate performance standards as stated in the investment policy;
 3. An annual audited financial report;
 4. A synopsis of the key investment decisions made by the manager, its underlying rationale, and how these decisions could impact on future investment results;
 5. Recommendations as to changes in the objectives, goals or standards of the investment policy based upon any material and sustained changes in the capital market;
 6. Notice of material changes in the managers outlook, policy and tactics;
 7. Notice of material changes in the manager's ownership organization structure, financial condition, senior staffing, and management.