



REQUEST FOR PROPOSAL  
**INVESTMENT SERVICES**

**RFP #19-001**

**I. INTRODUCTION**

Washington Schools Risk Management Pool (WSRMP) was formed on September 1, 1986 and provides property and liability coverage for its 93- member school districts, educational service districts, and interlocal cooperatives. Coverage is provided through a manuscript Coverage Agreement.

WSRMP is soliciting proposals from qualified firms to perform investment services for a three-year term commencing September 1, 2019, with an option for three additional single-year terms. The investment firm (Firm) selected will effectively invest WSRMP's portfolio pursuant to the approved investment policy and cash flow needs.

WSRMP reserves the right to reject any and all proposals, to waive any informality and to negotiate with the selected Firm prior to entering into any agreement. An accepted proposal becomes a contractual obligation of the Firm. Failure of the Firm to accept any of these obligations will result in the immediate cancellation of the agreement.

Proposals shall be submitted in writing and received in the WSRMP office by 5:00 p.m. **Monday July 8, 2019**. Proposals received after the deadline will be disqualified. Proposals may be submitted to the email address below:

- Charles Upchurch, Deputy Executive Director – [cupchurch@wsrmp.com](mailto:cupchurch@wsrmp.com)

Data and documentation included in the proposal become the property of WSRMP and will become public information upon opening the proposals.

If you have questions regarding this Request for Proposal or desire other information that WSRMP agrees should be provided, please call 206.394.9724 or e-mail the contact listed above. Questions will be accepted from **June 17, 2019 through July 1, 2019**.

Any 'material' additional information provided to a given Firm shall also be provided to the other potential Firms to ensure equity under this process.

## **II. MINIMUM QUALIFICATIONS**

In order to be considered, Firms must meet the following qualifications:

1. Five years in business as a licensed investment advisor with qualified principals or account executives with a minimum of five years of experience with public entities and public entity pooling to be permanently designated to service WSRMP's account.
2. Provide a list of a minimum of five public entity clients including at least one property and/or casualty self-insurance pool.
3. Firm must carry appropriate business insurance including \$5,000,000 limit of professional liability including errors and omissions insurance.

## **III. SCOPE OF SERVICES**

The firm selected will be required to provide the following services:

1. **Investment of Funds**  
The firm must effectively invest WSRMP funds, provide discretionary (non-discretionary, if requested) full time portfolio and effectively invest the portfolio pursuant to the approved investment policy and cash flow needs.
2. **Written and Oral Reports**  
The firm must provide a written report, as required, on a monthly basis demonstrating the portfolio performance and the current information about the portfolio, as described in the investment policy. The firm must also be available to make periodic oral reports to the Executive Board.
3. **Evaluation of Investment Policy**  
The firm must annually assist in the review of WSRMP's investment policy. The proposed changes to the investment policy will be presented in final draft to Executive Director, Deborah Callahan prior to submission to the Executive Board.

## **IV. SELECTION CRITERIA**

Proposals will be evaluated based on the following criteria:

1. Understanding the scope of the assignment
2. Experience and qualifications of firm and individuals assigned
3. Recommended approach to management of WSRMP's portfolio
4. Familiarity with State investment and reporting requirements
5. Performance history, and
6. Fees.

**V. ORGANIZATON AND INVESTMENT APPROACH**

Please format your response to this Request for Proposal in the following manner:

**I. Organization**

- A) Describe your firm, the date founded, ownership, other basic affiliations, and history.
- B) Describe all of your firm’s sources of revenue (e.g., investment management, institutional research, etc.) and comment on your firm’s financial condition.
- C) Describe any SEC censure or litigation involving your organization at any time.
- D) Identify the types of accounts primarily sought after by your firm.
- E) Provide information regarding the bonding and insurance your firm has in place.
- F) Specify if your firm has a dual registration.

**II. Personnel**

- A) Identify the number of professionals employed by your firm, by classification.
- B) Provide biographical information on investment professionals that will be involved in the decision-making process for our portfolio.
- C) Describe your firm’s compensation policies for investment professionals.

**III. Assets Under Management**

- A) Provide the number and types of accounts, total asset value and composition of portfolios currently being managed by your firm.
- B) Provide Government Investment Pools (GIPs) compliant performance for 1, 3, 5 and 10-year periods ending\_\_\_\_\_
- C) List in the following table the percentage by market value of aggregate assets under management of all Washington public agency portfolios managed under Washington Government Code \_\_\_\_\_ for your latest reporting period.

U.S. Treasury securities	_____	%
Federal Agency obligations	_____	%
Corporate securities rated AAA-AA	_____	%
Corporate securities rated AA	_____	%
Corporate securities rated A	_____	%
Corporate securities rated BBB or lower	_____	%
Other	_____	%

- D) In the past five years, has your firm purchased and held any security that was subsequently downgraded below the minimum credit ratings required for purchase under the Washington Government Code? What were the circumstances? What actions were taken?

#### IV. Philosophy Approach

- A) Describe your firm's investment philosophy.
1. Indicate whether it has changed during the past five years.
  2. Indicate what is distinctive about your philosophy.
- B) Describe your investment process.
- C) Describe the maturity concentration, quality and sectors of current accounts similar to WSRMP.
- D) In connection with our investment policy, would you recommend there be any policy restrictions or changes?
- E) Describe your firm's decision-making process in terms of structure, committees, membership, meeting frequency, responsibilities, integration of research ideas and portfolio management.
- F) Describe your research capabilities as they would pertain to WSRMP's portfolio.

#### V. Portfolio Management

- A) Describe whether portfolios are managed by terms or by one individual.
- B) Describe the average number of accounts and table of assets handled per investment professional.
- C) Indicate which of your firm's professions would be delegated as the primary client contact.
- D) Indicate how frequently you are willing to meet with us.
- E) Describe procedures used to ensure that portfolio complies with WSRMP's investment policy.

#### VI. Fees

- A) Include a copy of your firm's fee schedule.
1. Indicate whether there is a minimal annual fee.
- B) Indicate whether fees would be charged when there is no activity on the account.
- C) Indicate whether fees would be charged for management of WSRMP's funds held in the Local Agency Investment Fund.

#### VII. Performance Reporting

- A) Indicate whether your returns are calculated and compiled in accordance with GIPS standards. If not, please explain why and how the presentation differs from GIPS stands.
- B) Indicate whether you are willing to develop reporting procedures in line with our needs and objectives (e.g., monthly, so as to conform to State reporting requirements to management and governing bodies).
- C) Indicate whether confirmations of investment transactions are sent directly by the broker-dealer to the client.

VIII. References

Provide three references (preferably insurance pools or other public agencies), including length of time managing their assets and client name, address and phone number.

**VI. INSURANCE REQUIREMENTS**

Proposers shall take out and maintain during the entire term of the agreement insurance pertaining to the activities associated with the agreement. Proposers will be required to obtain, at its own expense, all insurance endorsements required below and shall provide evidence of such insurance and endorsements to WSRMP prior to commencing work.

Workers' Compensation	-Statutory Limits
Employer's Liability	-\$1,000,000 per occurrence
Commercial General Liability	-\$1,000,000 per occurrence
If policy has an aggregate	-\$2,000,000 minimum
Professional Liability (Errors & Omissions)	-\$5,000,000 minimum

**VII. SELECTION PROCESS**

Upon receipt of the proposal, WSRMP staff will review each firm's response to this Request for Proposal. Failure to properly address all the items set forth above may disqualify the prospective investment firm's proposal. WSRMP reserves the right to reject any or all proposals at its sole discretion. At their discretion, staff may interview one or more firms to further assist in the review process. WSRMP reserve the right to award the contract to the investment firm at its discretion depending upon multiple areas of criteria.

All proposals must be received in our office by **July 17, 2019**. Late proposals will be rejected. Please forward all proposals and correspondence to:

Washington Schools Risk Management Pool  
P.O Box 88700  
Tukwila, WA 98138-2700

Or via email: [cupchurch@wsrmp.com](mailto:cupchurch@wsrmp.com)

**VIII. SCHEDULE**

RFP distribution	March 28, 2018
Deadline for questions	April 16, 2018
Deadline for receipt of proposals	May 1, 2018
Finalist interviews	June 1, 2018
Finalist selection	June 11, 2018
Contract term starts	September 1, 2018



WSRMP reserves the right to change the RFP schedule, and/or recall or reissue the RFP. Prior to the execution of an agreement, WSRMP reserves the right to reject any or all proposals at any time, with no penalty, and without divulging the reasons for which the submittals were rejected or accepted.

Firms are responsible for all errors or omissions in their proposals, and any such error or omission will not serve to diminish their obligation to WSRMP.

The firm must certify that all statements contained in the proposal submitted are accurate and valid. The firm's proposal will be incorporated into the final agreement by reference.

WSRMP cannot be responsible for any proprietary information contained in the firm's proposal disclosed under the State Public Disclosure law.

Proposals shall be firm and not subject to change or withdrawal for a period of 60 days following the date specified for final receipt by WSRMP.

Failure to properly address all items set forth above may disqualify the firm's proposal from consideration.