



**Los Angeles Harbor College Foundation**

**REQUEST FOR QUALIFICATIONS**

**INVESTMENT MANAGEMENT CONSULTING SERVICES**

**Responses should be emailed to:**

**Robert Suppelsa  
Vice President of Administrative Services  
Los Angeles Harbor College Foundation  
[Foundation@lahc.edu](mailto:Foundation@lahc.edu)**

**by 5:00 p.m. on October 31, 2016**

(Please type “RFQ Proposal” in the Subject Line)

## **I. INTRODUCTION**

For over 65 years, Los Angeles Harbor College (LAHC) - a Hispanic Serving Institution, has been the college of choice for area residents seeking educational excellence with a personal touch. The college is located on an 83-acre campus in Wilmington, CA approximately 22 miles south of the city of Los Angeles, near the Port of Los Angeles. LAHC is surrounded by traditionally underserved areas such as Watts, Wilmington, Lomita, Harbor City, Gardena, San Pedro, and Long Beach (West Central and Port sections).

## **II. COLLEGE HISTORY**

Los Angeles Harbor College opened in 1949 as a technical institute in response to community need. Today, LAHC is a comprehensive, two-year public community college offering a broad spectrum of transfer, vocational, and community services programs. Currently, the approximately 10,059 students (53.9% Hispanic) who enroll each semester in credit courses reflect the diverse ethnic composition of the communities served by the college. Accredited by the Western Association of Colleges and Schools, Los Angeles Harbor College is one of the nine community colleges comprising the Los Angeles Community College District (LACCD), which is the largest community college district in the United States, and one of the largest in the world. LACCD educates almost three times as many Latino students and nearly four times as many African American students as all of the University of California (UC) campuses combined.

Committed to its tradition, the College is energetically working to prepare students for the rapidly changing workplace with AA degrees in subject areas ranging from Art to Biology; AS degrees in Occupational Programs, such as Architectural Technology, Child Development, and Registered Nursing. One-year Career Education Certificates, which lead to related AS degrees, are educational programs also offered at LAHC. An important part of the College’s commitment is to create and build partnerships with local business, community, and civic organizations to maximize the quality and scope of the educational programs offered.

## **III. FOUNDATION HISTORY**

The Los Angeles Harbor College Foundation (“Foundation”) was incorporated in 1972 as a non-profit, charitable, public benefit corporation. Established by a group of individuals from the college and community, the Foundation was formed to raise private funds to maintain a high level of excellence at a time of decline of public funding.

The Foundation is governed by a Board of Directors with a minimum membership of 15 and a maximum membership of 30, who are civic and business leaders from the community, elected for two-year terms. Funds raised by the Foundation include donations from individuals and corporations as well as from local foundations. Some of the areas that benefit from funds raised by the Foundation include major capital projects, equipment to ensure technological excellence,

programs which provide special services to the students and the community, faculty grants, and student scholarships.

The Foundation operates within the statutes governing educational auxiliary organizations and complies with the Brown Act requirements.

#### **IV. FOUNDATION MISSION**

The Foundation's mission is to promote the general welfare of LAHC in the following manner:

- A. By assisting and supporting the College in the attainment of educational, cultural and scientific goals;
- B. By assisting and supporting the College in fulfilling its role in serving the community of which it is a part;
- C. By soliciting, raising and distributing monies, properties and other assets for the construction of buildings, for the purchase of equipment, and for other outlay needs;
- D. By soliciting, raising and distributing monies, properties and other assets for the awarding of scholarships to students on the basis of need and/or merit and in accordance with the Foundation's bylaws and rules and procedures as adopted by its Board of Directors.

#### **V. REQUESTED SERVICES**

The Foundation desires to contract for Investment Management Consulting Services. The Investment Management Consultant will be required to oversee management of the funds in accordance with the laws of the State of California and adhere to the Investment Policy approved by the Board of Directors of the Foundation. The size of the Foundation's projected investment portfolio is approximately \$1.5 million but anticipated to grow substantially in the near future. The services to be performed are as follows:

- A. Assessment of Foundation investment requirements to include investment objectives, spending or asset to liability policies, time requirements and risk tolerance, liquidity needs, and targeted surpluses and reserves.
- B. Guidance in the development of the Foundation Investment Policy and Guidelines to include statement of purpose, definition of roles and responsibilities, establish investment objectives and goals, develop asset allocation, establish investment guidelines and portfolio limitations, and define process for performance monitoring and rebalancing.

- C. Design an Asset Allocation model based on historic analysis and projected future trends. Provide strategic and tactical recommendations based on monthly and quarterly capital markets research.
- D. On a regular basis, monitor portfolio progress of investment portfolios and provide performance reports to Board.
- E. Continuously review the investment strategy and make recommendations to adjust portfolio based on changes in market conditions and other relevant factors and/or propose revisions to investment policy.
- F. Search for and select Investment Manager(s) and monitor performance.

## **VI. RESPONSE PROCEDURE AND FOUNDATION RIGHTS**

Any and all responses to this RFQ must be sent electronically by email to Robert Suppelsa [foundation@lahc.edu](mailto:foundation@lahc.edu) and received by 5:00 p.m. on October 31, 2016. Any response package received after the submission deadline shall not be considered.

Issuance of this RFQ does not constitute an award commitment on the part of the Foundation, and the Foundation shall not pay for costs incurred in the preparation or submission of responses.

The Foundation, at its sole discretion, may reject any or all response packages submitted in response to this solicitation. The Foundation shall not be liable for any cost incurred by a responder in connection with preparation and submittal of any response.

The Foundation reserves the right to cancel this RFQ, in whole or in part, without selection of any response. The Foundation shall not be liable for any claim of loss, damage, expense, costs or fees incurred or suffered by any person or entity responding hereto.

## **VII. NOTICES TO PROPOSERS REGARDING THE PUBLIC RECORDS ACT**

Responses to this solicitation shall become the exclusive property of the Foundation. All responses will be treated as confidential until the selection process is completed and a contract signed. After that, all responses will become public records. In the event that a responder desires to claim portions of its response are exempt from disclosure, it is incumbent upon the responder to clearly identify those portions with the exception of those parts of each response which are justifiably defined by the responder and plainly marked as "Trade Secret," "Confidential," or "Proprietary." **A blanket statement of confidentiality or the marking of each page of the response as confidential shall not be deemed sufficient notice of exception.** Los Angeles Community College District, Los Angeles Harbor College and the Foundation shall not, in any way, be liable or responsible for the disclosure of any such record or any parts thereof, if disclosure is required or permitted under the California Public Records Act or otherwise by law.

## **VIII. REQUIREMENTS OF THE RFQ OF YOUR FIRM**

The following items should be specifically addressed in the response submitted:

### **A. Firm information (5%)**

1. Firm history
2. Firm organization (ownership, location of headquarters, number of offices, number of investment-related staff, related organizations)
3. Is your firm a Registered Investment Advisor or Broker Dealer? If no, what regulatory oversight are you subject to?
4. Do your clients receive unique access to managers or preferred institutional pricing with third party managers?
5. Describe your primary products and services.
6. Description of client base (defined by number of clients, industry and size of portfolio)
7. Assets under management
8. Relative to the scope of services, what key strengths or competitive advantages does your firm possess? What are your disadvantages?
9. Describe policies in place to identify, manage and disclose conflicts of interest and maintain overall compliance with policies.
10. Describe your policy regarding compensation from clients.
11. Discussion of any past or present litigation or regulatory actions against your firm.

### **B. Personnel and Firm Qualifications (15%)**

1. Qualifications of principals and professional staff (Please specify those individuals who will be directly responsible for this account)
2. Number of years of experience in investment management
3. Discussion of investment philosophy
4. Discussion of your customer service philosophy

5. Overview of the roles and responsibilities of key senior staff and the professionals that will be involved with our relationship
6. Depth of resources and number of personnel dedicated to third party investment manager research
7. Resources available for investment committee and Board education

**C. Relevant experience with other similar not-for-profit organizations (5%)**

1. List of your not-for-profit clients, specifically include public and private foundations

**D. Investment strategy and recommended asset allocation (35%)**

1. Investment philosophy and operational due diligence process
2. Process you will use for investment policies, objectives, and guidelines for Foundation portfolio. How would you involve the Foundation Finance committee in this process?
3. Research methods and resources (external and internal)
4. Process for continually reviewing investment policy, asset allocation and portfolio structure
5. Risk control process, including functions performed to ensure appropriate levels of risk are being assumed. What risk management tools and resources do you use?
6. Recommended asset allocation and estimated annual rate of return for one, three, five and ten years (include discussion of the risk/reward spectrum for your recommendation(s))
7. Model portfolios with current one, three, five and ten year annual returns compared to relevant indices
8. Discussion of appropriate benchmarks and rationale for recommendations of changes to the investment policy

**E. Reporting, portfolio evaluation and review of accounts (10%)**

1. Frequency of reporting to clients (e.g.: monthly, quarterly)
2. Form of your reports (please provide sample)
3. Frequency of portfolio evaluation
4. Compliance with applicable reporting standards, including CFA Institute
5. Frequency of account review by your firm and willingness to meet with management to make recommendations and discuss performance
6. Timing of report after the end of a reporting period

**F. Insurance (5%)**

1. Provide a listing of applicable insurance coverage maintained with relevant coverage limits
2. Provide the name of your primary insurance carrier and their related AM Best rating

**G. Fees (20%)**

Please include a copy of your firm's fee schedule. Indicate all fees involved for each of the services you are proposing to provide

1. Include a breakout of the initial and ongoing consulting fees and the custodial and management fees as a percentage of the dollar value of the assets
2. Is there a minimum annual fee?
3. Are fees charged when there is no activity in the account?
4. Discuss the frequency in which such fees will be evaluated and the maximum amount of any increase to be expected

**H. Other Services (5%)**

1. Please describe any alternative or additional services that you are capable of providing that may be of benefit to the Foundation
2. Discuss your experience in rendering such services

**I. References**

Please provide three client references, including length of time managing their assets, client name, address, phone number, and email (clients most similar to Foundation in type and size of business and similar services requested are recommended)

## **IX. SELECTION PROCESS AND TIMING**

The Foundation will review all timely proposals based on the criteria outlined above the rating methodology will be applied consistent with the percentage noted after each criterion. Those firms whose responses are selected for further consideration will be asked to make a personal presentation and/or answer questions in advance of final selection.

The Foundation plans to make its selection by no later than December 31st, 2016. Upon selection of a firm, a contract between the Foundation and the firm will be developed and executed by the parties which shall govern the parties' contractual relationship. Nothing contained herein shall modify such contract nor prevent termination of such contract as may be provided by the terms thereof nor serve as a defense to any claim or cause of action resulting from breach of contract or negligence or malfeasance by the firm selected. Submission of a response to this Request for Qualifications constitutes the responder's representation and warranty that if selected, it is prepared to proceed promptly to finalize such contract and begin work promptly thereafter with the understanding that failure to do so may result in the Foundation selecting another firm.

## **X. CONTACT INFORMATION AND DEADLINES**

All questions should be submitted by **October 19 at 5:00 p.m.** Questions should be directed to [foundation@lahc.edu](mailto:foundation@lahc.edu) Please type "RFQ Question" in the subject line of your e-mail.

All questions and responses will be posted on the [www.lahc.edu](http://www.lahc.edu) website on **October 24th, 2016.**

Final proposals should be submitted by **October 31, 2016 by 5:00 p.m.** to [foundation@lahc.edu](mailto:foundation@lahc.edu) Please type "RFQ Proposal" in the subject line.

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