



Request for Proposals for Outsourced Chief Investment Officer (OCIO) Services

Introduction

Samuel Merritt University (SMU) is a specialized institution of higher education; its main campus is located in Oakland, California, with branch campus sites in Sacramento, San Mateo and Fresno. The University offers doctoral, masters and baccalaureate degrees in health sciences. Its primary fields of study are nursing, occupational therapy, physical therapy, physician assistant and podiatric medicine. SMU generates annual net operating revenue approaching \$90 million and employs approximately 900 individuals. SMU is a California nonprofit public benefit corporation.

This Request for Proposals (RFP) is being issued pending SMU achieving corporate independence. Investment advisory services were previously provided by SMU's corporate parent.

Scope of Services

SMU has a portfolio of approximately \$288 million available for investment as of July 31, 2021 broken-down into the following categories:

Description	Amount
Unrestricted Funds	\$211 million
Special Purpose Funds	15 million
Endowment and Quasi Endowment Funds	62 million
Total	\$288 million

SMU's Board of Regents has established an Investment Policy Statement that will be used to guide future investment decisions.

Request for Proposal Instructions: Proposal will be available for download on Friday, October 15, 2021 on the Finance Department page of SMU's Website at the following link:

<https://www.samuelmerritt.edu/faculty-and-staff/finance>.

Any questions related to the proposal should be forwarded in writing to rfp@samuelmerritt.edu. A list of questions and answers will be maintained on SMU's Website at the link listed in the previous paragraph.

Length of Agreement

SMU is interested in establishing a stable relationship with the awarded OCIO Partner. To do this, SMU would like to develop an agreement with an initial term of three (3) years with an automatic option to renew for an additional three-year period. After the initial three years, fees can be renegotiated should this be deemed necessary.

Vendor proposals should include the following documents:

- Completed **Attachment A**
- Information Requested in **Attachment B**
- Any other supporting documents as determined by vendor.

Terms and Conditions

Please be aware that this is a request for professional services, and not a competitive bid. SMU is not required to conduct its request for professional services in accordance with competitive bidding laws.

The terms and conditions of this proposal are that SMU:

- Reserves the right to reject any or all proposals
- May render the bid invalid due to unauthorized modifications of bid specification forms or terms.

Instructions for Submission of Application

Proposals will only be accepted electronically at the e-mail address listed below.

ALL PROPOSALS MUST BE RECEIVED BY SAMUEL MERRITT UNIVERSITY BY 5:00 P.M. on Friday, November 5, 2021. E-mail address for the submission of proposals:

Gregory Gingras, Chief Financial Officer
Samuel Merritt University
rfp@samuelmerritt.edu
www.samuelmerritt.edu

**ATTACHMENT A
APPLICANT CONTACT INFORMATION**

NAME OF ORGANIZATION: _____

CONTACT PERSON: _____

STREET ADDRESS: _____

CITY/STATE/ZIP: _____

TELEPHONE NUMBER: _____

E-MAIL ADDRESS: _____

WEBSITE: _____

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ATTACHMENT B REQUESTED PROPOSAL CONTENT

Investment Management and Administrative Services

- **1. Company information**
 - a. Year organized
 - b. Number of clients
 - c. Type of clientele (defined by industry and size of portfolio)
 - d. Number of staff
 - e. Assets under management
 - i. Not-For-Profit
 - ii. Total Institutional
 - f. Number of offices
 - g. Location of corporate headquarters
 - h. Related organizations, including subsidiaries or affiliates
 - i. Discussion of any past or present litigation or regulatory actions against your firm
- **2. Qualifications of Your Firm and Its Ability to Provide Investment Services**
 - a. Qualifications of leadership and professional staff (Please specify those individuals who will be directly responsible for this account)
 - b. Number of Chartered Financial Analysts (CFAs)
 - c. Number of years of experience in not-for-profit investment management
 - d. Discussion of investment philosophy
 - e. Discussion of your customer service philosophy
- **3. Return Experience**
 - a. Explain your performance relevant to indexed benchmarks
 - b. Discuss your philosophy in creating strong alpha performance
 - c. Generally explain how your firm's expertise has outperformed the market on a fee adjusted basis to the benefit of your clients.
- **Relevant experience with other similar not-for-profit organizations**
 - a. Include a list of your not-for-profit clients
 - b. Include three specific references that we may contact (Preferably clients that are similar to our organization in type of business and size of portfolio)
- **4. Reporting, Portfolio Evaluation and Review of Accounts**
 - a. Frequency of reporting to clients (e.g.: monthly, quarterly)
 - b. Form of your reports (please provide sample)
 - c. Frequency of portfolio evaluation

- **d.** Frequency of account review by your firm and willingness to meet with management to make recommendations and discuss performance
- **5. Recommended Asset Allocation**
 - **a.** Recommended asset allocation and estimated annual rate of return for one, three, five and ten years.
 - **b.** Include an analysis of the efficient frontier of the recommended asset allocation and a discussion of the risk/reward spectrum for your recommendation(s)
 - **c.** How do you handle portfolio risk management?
 - **d.** For the investments included in your recommended portfolio, please provide a current (as of quarter ending Month XX, 201X) analysis of the one, three, five and ten year returns compared to relevant indices
- **6. Recommended Changes to the Investment Policy**
 - **a.** Effect on efficient frontiers and specific returns
 - **b.** Effect on your fees, if any
 - **c.** Rationale for recommendations
 - **d.** Pros and Cons of recommended changes
- **7. Insurance**
 - **a.** Provide a listing of applicable insurance coverage maintained with relevant coverage limits
 - **b.** Provide the name of your primary insurance carrier and their related AM Best rating
 - **c.** Provide your business continuity plan.
- **8. Research and Investment Decisions**
 - **a.** Provide research methods and resources (external and internal)
 - **b.** Discussion of investment decision making process (committee, portfolio manager, external investment managers, etc.)
- **9. Fees**
 - **a.** Indicate all fees involved for each of the services you are proposing to provide
 - **b.** 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
 - **c.** Discuss the frequency in which such fees will be evaluated and the maximum amount of any increase to be expected
- **10. Other Services**
 - **a.** Please address any alternative or additional services that you are capable of providing that may be of benefit to our organization
 - **b.** Discuss your experience in rendering such services