

Addendum #1
RFQ03072014
Investment Advisory & Custodial Services
McHenry County College

This Addendum is in response to the inquiries from potential bidders. This Addendum constitutes changes to the specifications as sent out in the original RFQ and other pertinent information shared with all vendors. All changes and information listed on this Addendum should be considered as the official modifications to the specifications and should be included in your proposal with these in mind.

Please acknowledge your receipt of this addendum by attaching a signed copy of the addendum with your proposal response.

Received and acknowledged by: _____

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1. Since the pool of funds is spread among 12 accounts, what is the average balance of the accounts? **There are 12 funds that are accounted for by the College, not 12 accounts that need to be created and managed by the potential advisor.**
 2. What is the anticipated inflow and outflow of these funds? **That is part of the work that the advisor is to determine to insure the college has sufficient operating cash. This requires the selected advisor to consult with the college.**
 3. Will there be a core segment of the funds maintained in each account? If so, what is the range of the core balance? **There should be one portfolio managed by the advisor with laddered maturities and investment vehicles allowable under the ILCS regarding Public Investments and the Investment Policy Statement (IPS).**
 4. You state in the opening paragraph of your RFQ that the accumulated funds are primarily from tuition & fees and also from tax proceeds.....could the funds ever be from the proceeds of a bond issue? **Yes.** Has that occurred in the past and is it anticipated to happen in the future? **The only recent long term debt issued has been from the issuance of debt certificates. I would have to look back at the last time the college ever issued bonds or referendum related debt.**
 5. We offer a collaborative approach to investing, with safekeeping at our Clearing Corp offered at no charge. Our group would work to maximize returns based upon your investment guidelines. We have achieved success working with municipalities and not-for-profits throughout the Midwest in this historically low interest rate environment. Would McHenry County College consider a proposal offering a collaborative approach for investment selection versus a managed approach? **I would have to see the proposal to answer this question. The college is interested in maximizing the return on its funds and would consider many options as long as they comply with the ILCS and the IPS.**

6. Specifically, regarding Authorized Investments, in section I of your policy it summarizes the authorized investments, but it also indicates that the College shall invest in instruments allowed by the 30 ILCS 235/2. That Act also allows, in section (j), community college districts to invest in any mutual funds that invest primarily in corporate investment grade or global government short term bonds, with certain limitations on size of the fund and quality of fund's investments. Would McHenry County College consider these fund investments, given that they are allowed under the Act, or are investment managers confined only to the summary list within your policy? **The college is interested in maximizing its return and will consider all allowable investment vehicles. If the IPS overrules the ILCS then the IPS can be reviewed to determine if certain investments are specifically restricted or if it's merely an interpretation issue. At either rate, upon any recommendation by the selected advisor, the IPS can always be brought back to the Board for modification or clarification in order to achieve the goal of effectively managing our funds to achieve the best returns possible.**