



REQUEST FOR QUALIFICATION

INVESTMENT ADVISORY and CUSTODIAL SERVICES

McHenry County College (the College) is soliciting Qualifications from licensed investment advisors to provide professional investment advisory and custodial services for handling funds of the College.

Bid Specifications and a link to the McHenry County College's Investment Policy may be found below, or call (815)-455-8585. Five (5) copies of the Qualifications may be mailed or delivered to the Office of Business Services, Attn: Jennifer Jones, Building A, Room 246, 8900 U.S. Highway 14 Crystal Lake, IL. 60012-2761. Envelopes must be clearly marked "*RFQ for Investment Services.*"

Submittal Deadline: **Friday, March 7, 2014 at 10:00 AM.**

BID SPECIFICATION:

MCHENRY COUNTY COLLEGE

REQUEST FOR QUALIFICATION

INVESTMENT ADVISORY and CUSTODIAL SERVICES

The College is soliciting Qualifications from licensed investment advisors to provide professional investment advisory and custodial services for unrestricted and restricted funds of the College. The total investment balance of the College as of January 31, 2014 is \$39,182,808. These accumulated funds are primarily from tuition & fees and also from tax proceeds. The funds are both unrestricted and restricted across 12 funds accounted for by the College. The investment of College funds requires principal preservation, appropriate collateralization, and strict adherence to the Investment Policy Statement of the College and the Illinois Compiled Statutes as they relate to the College all the while earning competitive returns.

QUALIFICATIONS PROCESS KEY DATES:

1. Qualifications Released - February 20, 2014
2. Questions regarding RFQ should be submitted to jjones@mchenry.edu - February 26, 2014-10:00AM
3. Responses to questions posted by addendum to www.mchenry.edu/bid - February 28, 2014
4. Qualifications Due - March 7, 2014-10:00AM
5. Oral Presentation, if necessary TBD
6. Target Award Date - March 27, 2014

AWARD OF CONTRACT:

A proposer to whom a contract is awarded shall be required to enter into a written contract with the College in a form approved by legal counsel for the College. This RFQ and the Qualifications, or any

part thereof, may be incorporated into and made a part of the final contract. The College reserves the right to negotiate the terms and conditions of the contract with the selected proposer.

CONTRACT TERM:

It is the intent of the College to award a three (3) year contract with automatic annual renewals based on satisfactory performance as measured against benchmarked data of similar investment portfolios and risk tolerances. Cancellation of the contract can be made upon a 30 day advance written notice by either party. The decision to grant the contract will be at the discretion of the College's Board of Directors.

QUALIFICATIONS SUMMARY REQUIREMENTS TO BE COMPLETED AND SUBMITTED AS FOLLOWS:

SUBMISSION REQUIREMENTS:

In order to provide for a proper evaluation of your firm and fairly compare it with other submittals, we request that you format your response in the following order:

1. Organization

- A. Company Name
- B. Principal Address
- C. Telephone Numbers-Principal and Fax
- D. Email Address(es)
- E. Describe the organization, date founded and ownership of your firm and regulatory bodies your firm reports to. Has the firm experienced a significant change in organizational structure, ownership or management during the past three years and, if so, please describe.
- F. Describe any other business affiliations (e.g. subsidiaries, joint ventures, "soft dollar" arrangements with brokers).
- G. Identify the types of accounts primarily managed by your firm.
- H. Does the firm have an office in the State of Illinois?
- I. Is your firm a registered advisor under the Investment Advisor's Act of 1940? Please attach Part II of your most recent Form ADV.
- J. Describe any SEC, NASD or any other regulatory censure or litigation involving your firm during the past five (5) years.
- K. Summarize fidelity bond coverage, errors and omissions, employee dishonesty, fiduciary liability insurance, or other fiduciary coverage your firm carries. Provide a Certificate of Insurance.
- L. Does your firm adhere to the Code of Professional and Ethical Standards as described by CFA Institute?

2. Experience

- A. Describe your firm's experience in managing investment portfolios for Community Colleges including any relevant experience managing public funds in Illinois.
- B. Describe your firm's experience in providing investment services which are compliant under Illinois Compiled Statute "(30 ILCS 235/) Public Funds Investment Act" and investment policy statements specific to Illinois Community Colleges.
- C. Does your firm act as a broker or as a primary dealer in securities or receive any other form of additional compensation (including soft dollars) for client transactions aside from the direct fee paid by clients?

D. Provide five client references similar to the McHenry County College (public references if possible) including client name, contact personnel, address, phone number, fax number, e-mail address, and length of time you have managed their assets and a list of any other related services provided (e.g. investment advisor, cash flow analysis, etc.)

3. Personnel

A. Provide detailed resumes for all key investment professionals who will be directly responsible for the investment of our funds. Include the following information: title, number of years at your firm, total number of years of experience, professional designations or licenses and SEC, NASD, or any other regulatory censures or actions or litigation, if any.

4. Investment Management Approach and Discipline

A. Briefly describe your firm's investment management philosophy.

B. What are the primary strategies employed by your firm for adding value to portfolios (e.g., market timing, credit research, structuring maturities to meet cyclical operating needs of the college, cash flow analysis, etc.)?

C. Describe your firm's research capabilities and resources.

D. What makes your firm unique?

5. Fees & Services

A. Describe the way you propose to be compensated for your services. Fully describe all commissions, 12b-1 fees and any other fees proposed.

B. Describe the services you propose to provide to the College, including but not limited to frequency of reporting, frequency of portfolio(s) review with the College.

C. Describe how benchmarking comparisons to indexes or similar investment vehicles or industry averages will be used to rate the performance of the portfolio and your firm's services.

An evaluation team comprised of College personnel within the Business Services Division will conduct evaluations of each Qualifications. The evaluation committee may then make a recommendation, resulting from this process, to the Board of Trustees for award of a contract(s).

The College reserves the right to request additional clarifying information and request an oral public presentation from any and all Proposers prior to determination of award.

The College reserves the right to award the contract to the firm who will best serve the interests of the College. The College reserves the right, based upon its deliberations and in its opinion, to accept or reject any or all Qualifications. The College also reserves the right to waive minor irregularities or variations to specifications and in the bidding process.

The College reserves the right, before awarding the contract, to require a firm to submit any evidence of its Qualifications as the College may deem necessary and to consider any evidence available such as financial, technical and other Qualifications and capabilities, including performance experience with past and present users.

The RFQ specifications and the College's Investment Policy may be found at <http://www.mchenry.edu/board/boardpolicymanual.pdf> under section 2.1.1 or by calling Robert Tenuta, CFO at (815) 455-8585.