

CITY OF FORT WORTH
FINANCIAL MANAGEMENT SERVICES DEPARTMENT



REQUEST FOR QUALIFICATIONS

For

INVESTMENT ADVISOR SERVICES

Release Date: Wednesday, February 3, 2021
Proposals Due: Wednesday, March 3, 2021
(Refer to Section V for a complete Schedule of Events)

SECTION I

GENERAL INFORMATION FOR VENDORS

PURPOSE AND BACKGROUND

The City of Fort Worth, Texas Finance Department (the “City”) is soliciting proposals from qualified firms (hereinafter “Proposer” or “Advisor”) to provide Investment Advisor Services to assist City of Fort Worth staff with the management the City’s General Investment portfolio. Investment Advisor Services include, but are not limited to, quantitative analysis, evaluation and presentation of Investment options (see section II for the required scope of services). Please note, the City’s Other Post-Employment Benefits and Permanent Fund Investment Portfolios are outside the scope of the services requested in this Request for Qualifications (“RFQ”).

This RFQ represents a competitive process, which is designed to facilitate an open and fair opportunity for qualified Firms to offer their services for consideration. This competitive RFQ process will provide with the City the flexibility to select the Firm whose proposal is deemed most advantageous for the City and to negotiate with such Firm to arrive at a mutually agreeable contract.

“Investment Advisor Services”, as used herein, shall refer to all those services outlined in Section II, Scope of Service.

The City invests its General Investment Portfolio in compliance with the Texas Public Funds Investment Act (Texas Government Code Chapter 2256) and the City’s Investment Policy Statement governing the General Investment Portfolio. The purpose of this RFQ is to establish parameters within which the Firm is to provide Investment Advisor Services. The City reserves the right to accept or reject any and all Proposals and to re-solicit for proposals, as it shall deem to be in the best interests of the City of Fort Worth. Receipt and consideration of any Proposal(s), shall under no circumstance, obligate the City of Fort Worth to accept any proposal(s). If an award of contract is made, it shall be made to the responsible Proposer whose Proposal is determined to be the best evaluated offer taking into consideration the relative importance of the evaluation factors set forth in the RFQ.

Fort Worth, seat of Tarrant County, Texas, is located in Tarrant, Denton Parker, Johnson and Wise Counties in North Central Texas. Situated on the Trinity River, Fort Worth is approximately 75 miles south of the Oklahoma state line and 270 miles northwest of the Gulf of Mexico. The city is a cultural gateway into the American West and covers nearly 345 square miles.

Fort Worth was established as a frontier army post in 1849 by Major Ripley Arnold and named after General William Jenkins Worth, who distinguished himself in the War with Mexico. The outpost became a stopping place on the famous Old Chisholm Trail and a shipping point for the great herds of Longhorn cattle being driven to northern markets. City leadership brought the first of nine railroads to Fort Worth in 1876 and with the subsequent West Texas oil boom, guided the City into a metropolitan county of more than 1.8 million people. Fort Worth’s economy has always been associated with cattle, oil, finance and manufacturing. Since World War II, Fort

Worth has also become an aerospace, education, high-tech, transportation and industry service center.

Fort Worth operates under the Council-Manager form of Municipal Government. A Mayor chosen at-large by popular vote and an eight-member, single-district council are elected to two-year terms. In turn, the Mayor and City Council appoint the City Manager who is the Chief Administrative and Executive Officer of the City. The City Council is also responsible for the appointment of the City Attorney, Municipal Judges, the City Secretary and the City Auditor.

PROPOSAL SUBMISSION

Proposals must be submitted electronically via email to Charissa Williams at charissa.williams@fortworthtexas.gov by 10 a.m. on the deadline as specified in Section V. Alternatively, proposals can be submitted on a USB flash drive and delivered to:

City of Fort Worth
Financial Management Services Department, 3rd Floor
Attn: Charissa Williams
200 Texas Street
Fort Worth, Texas 76102

Any proposal received after the deadline specified above will not be considered.

RFQ QUESTIONS

Questions concerning this RFQ should be directed to Charissa Williams at charissa.williams@fortworthtexas.gov. The deadline for RFQ questions is 5 p.m. CST on the date as specified in Section V.

The City will publish a consolidated response to all questions received on the City's website at <https://www.fortworthtexas.gov/departments/finance/purchasing/bids-current>

LAWS AND REGULATIONS

All applicable federal and state laws, City policies, and the rules and regulations of all authorities having jurisdiction over the contract shall apply to the contract throughout, and they will be considered to be included in the contract the same as though herein written out in full.

TAX EXEMPTION

The City of Fort Worth is exempt from Federal Excise and State Sale Tax; therefore, tax must not be included in any contract that may be awarded from this RFQ.

CERTIFICATE OF INTERESTED PARTIES FORM 1295

The successful proposer is required to complete online and notarize the Certificate of Interested Parties Form 1295 and the form must be submitted to the contact listed in the solicitation before the contact shall be presented to the City Council. The form be completed at <https://www.ethics.state.tx.us/filinginfo/1295/>

ERRORS OR OMISSIONS

The Proposer shall not be allowed to take advantage of any errors or omissions in this RFQ. Where errors or omissions appear in this RFQ, the Proposer shall promptly notify the City of Fort Worth Treasury Division in writing of such error or omission it discovers. Any significant errors, omissions or inconsistencies in this RFQ are to be reported no later than ten (10) days before the RFQ response is to be submitted.

WITHDRAWAL OF PROPOSALS

A representative of the company may withdraw a proposal at any time prior to the RFQ submission deadline, upon presentation of acceptable identification as a representative of such company.

COSTS INCURRED IN RESPONDING

All costs directly or indirectly related to preparation of a response to the RFQ or any oral presentation required to supplement and/or clarify a proposals which may be required by the City shall be the sole responsibility of and shall be borne by the participating Proposers.

NON-ENDORSEMENT

If a proposal is accepted, the successful Proposer shall not issue any news releases or other statements pertaining to the award or servicing of the agreement that state or imply the City of Fort Worth's endorsement of the successful Proposer's services.

UNAUTHORIZED COMMUNICATIONS

After release of this solicitation, Proposers' contact regarding this RFQ with members of the RFQ evaluation, interview or selection panels, employees of the City or officials of the City other than the Purchasing Manager, the Diversity and Inclusion Department, or as otherwise indicated is prohibited and may result in disqualification from this procurement process. No officer, employee, agent or representative of the Proposers shall have any contact or discussion, verbal or written, with any members of the City Council, members of the RFQ evaluation, interview, or selection panels, City staff or City's Contractor(s), or directly or indirectly through others, seek to influence any City Council member, City staff, or City's Contractor(s) regarding any matters pertaining to this solicitation, except as herein provided. If a representative of any Proposer(s) violates the foregoing prohibition by contacting any of the above listed parties with whom contact is not authorized, such contact may result in the Proposers being disqualified from the procurement process. Any oral communications are considered unofficial and non-binding with regard to this RFQ.

PROPRIETARY INFORMATION

If a Proposer does not desire proprietary information in the Proposal to be disclosed, it is required to identify all proprietary information in the Proposal. This identification shall be done by individually marking each page with the words "Proprietary Information" on which such proprietary information is found. If the Proposer fails to identify proprietary information, it agrees that by submission of its Proposal that those sections shall be deemed non-proprietary and made available upon public request.

Proposers are advised that the City, to the extent permitted by law, shall protect the confidentiality of their Proposals. Proposer shall consider the implications of the Texas Public Information Act, particularly after the RFQ process has ceased and the Contract has been awarded. While there are provisions in the Texas Public Information Act to protect proprietary information, where the Proposer can meet certain evidentiary standards, please be advised that a determination on whether those standards have been met shall not be decided by the City of Fort Worth, but by the Office of the Attorney General of the State of Texas. In the event a request for public information is made, the City shall notify the Proposer, who may then request an opinion from the Attorney General pursuant to 552.305, Texas Government Code. The City shall not make a request of the Attorney General.

DISCLOSURE REQUIREMENTS

Proposer must disclose to the City any material legal or disciplinary events that may be material to the City's evaluation of the Proposer or the integrity of the Proposer's management or advisory personnel.

INSURANCE REQUIREMENTS

The following minimum coverage limits apply to this engagement:

Commercial General Liability not less than:

\$1,000,000 Each Occurrence
\$2,000,000 Aggregate

Automobile Liability not less than:

\$1,000,000 Each accident on a combined single limit basis

Workers' Compensation – Statutory limits or as permitted by law

Professional Liability (Errors & Omissions) – The firm shall maintain Professional Liability (Errors & Omissions) insurance in the amount of \$1,000,000 per claim and \$2,000,000 aggregate limit

Certificates of Insurance evidencing that Firm has obtained all required insurance shall be delivered to City prior to Firm proceeding with any work. All policies except Professional Liability shall be endorsed to include a Waiver of Subrogation on behalf of the City. The term City shall include its employees, officers, officials, agent, and volunteers in respect to the contracted services.

SECTION II:

SERVICE REQUIREMENTS INFORMATION FOR VENDORS:

SCOPE OF SERVICE:

The Investment Advisor (Advisor) will assist City of Fort Worth staff with the management of the City's General Investment Portfolio by providing the following services:

1. Advisor will provide advisory services for the City's General Investment Portfolio.
2. Advisor shall be available in a timely manner, in person, by telephone, in virtual collaboration, or e-mail, for consultation or advice. Advisor will meet with and provide information to Council and Finance Department staff members as required. Advisor will meet periodically with staff to review and refine portfolio strategy and performance and shall attend and present at the City's quarterly Investment Committee. Both on and off-site, daytime and evening meetings are possible.
3. Advisor shall comply with all applicable federal and State of Texas laws and the ordinances, resolutions, and policies of the City of Fort Worth.
4. Advisor shall provide assistance in developing and implementing investment strategies that will maintain or enhance portfolio quality and performance within the parameters of the City's established investment policy(s), relevant Federal, State, and Local Law, and cash flow needs.
5. Advisor shall work with the City's cash management staff to assure completion of investment trades, delivery of the securities and availability of funds, assist with trade settlements when needed, obtain and document competitive prices for securities transactions. Provide technical and fundamental market research including yield curve analysis and future interest rate movements.
6. Advisor shall provide investment advice including breakeven analysis on recommendations made to sell low yield securities and replace them with higher yielding securities.
7. Advisor shall periodically (at least annually) review and provide input on the City's Investment Policy. The City maintains an Investment Policy that is compliant with the requirements of the Investment Policy Certification Program through the Government Treasurers' Organization of Texas.

In addition, Advisor shall assist in the review and recommend revisions to the City's Investment Policy as well as assist in the review of investment management procedures and portfolio documentation, as well as, safekeeping and custodial procedures.

8. Advisor shall perform due diligence reviews of current and proposed broker/dealers and financial, monitor the creditworthiness of the financial institutions with which the City does business and assist in keeping the authorized financial institution list updated. The Advisor shall monitor the creditworthiness of the City's depository and custodian bank and investments in the portfolio.

9. Advisor shall provide detailed reports of investment portfolio activity and performance monthly, a report that demonstrates the benefit on the portfolio's return of using an investment advisor. Reports should include relevant benchmarks, earnings and accounting methodology. Reports shall follow Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) fair-value reporting. Advisor shall also provide separate quarterly and fiscal year end portfolio performance reports based on the City's fiscal year. If execution/delivery/settlement of trades is done by City, then City is to provide trade ticket confirmations to advisor for preparation of required reports.

10. Advisor shall provide at least weekly, to Finance Department staff, a statement of upcoming cash flows that includes maturities, coupons, called securities and potential callable for a period of 45 days. Upon request, have the ability to provide a statement of upcoming cash flows for a longer period.

11. Advisor shall provide Finance Department staff with ongoing training and technical advice as needed to include training that satisfies the continuing education requirements of the Texas Public Funds Investment Act and the National Association of State Boards of Public Accountancy. Such training shall be provided at no additional cost to the City.

12. Advisor shall provide itemized monthly invoices of charges and provide periodic status reports on the services provided by the firm. The itemized invoice must be at a sufficient level of detail to enable City staff to validate the charges.

13. Advisor shall perform an annual review of investment related notes and other pertinent sections in the City's Comprehensive Annual Financial Report (CAFR).

14. Advisor shall prepare reports that include information relating to Current Yield, Book Value Return, and Total Return as a means of evaluating portfolio performance versus market index benchmarks. Advisor shall suggest and recommend various benchmarks that the City should consider using for its invested funds.

SECTION III

INFORMATION REQUIRED

INVESTMENT ADVISOR FIRMS TEAM AND QUALIFICATIONS

- A. Proposals shall demonstrate the qualifications and experience of the personnel who will work directly with the City rather than describing the general experience and qualifications of the firm. The City will not consider promotional literature of a general nature. The focus should be on recent governmental portfolio management experience within the last five years that is relevant to the scope of services outlined above. Include the following information:
- B. Qualifications of the Investment Advisor Firm
1. Describe the firm's capabilities and experience.
 2. List firm experience working with similar organizations, specifically those in local government.
 3. Describe how the firm is legally qualified in the State of Texas to perform the work requested.
 4. Does the firm have an in-house trading desk? How many employees of the firm are CFA charter holders?
 5. Describe the reporting platform to be utilized by the Advisor to ensure compliance with the City's investment policy, the Texas Public Funds Investment Act, GASB and GAAP report standards, and other applicable laws, rules, and regulations.
- C. Qualifications of the Advisor Team
1. The portfolio manager is the person who will be assigned by the proposer to provide advisory services.
 2. List the qualifications of the portfolio manager and key personnel who will work on the advisory service team. Include a description of the relevant education and training, certificates and licenses, professional background, and years of experience with work relevant to the scope of services requested.
 3. Describe the experience of the portfolio manager, particularly similar services with local government entities. Identify the portfolio manager's specific role in relevant investment management services and include the performance of the portfolios managed; do not include services where the portfolio manager had a minor or no active role.
 4. Provide three (3) client references who have worked with the portfolio manager.

5. If submitting a resume, only include portfolio experience relevant to the scope of services.
6. Provide three (3) client references who are governmental clients where the firm is providing the same or similar services.

D. Minimum Qualifications

Investment Advisor Firms wishing to submit proposals must meet or exceed the following criteria:

1. Advisor shall be a Registered Investment Advisor as defined and regulated by the Securities and Exchange Commission (SEC) and be registered in the State of Texas.
2. Advisor shall be familiar with all applicable Texas statutes with regard to qualified investments for public entities.
3. Advisor shall be completely independent of any financial institution or securities brokerage firm, or shall fully disclose any such relationships relevant to the firm's relationship with the City of Fort Worth.
4. Advisor shall have a minimum of \$25 billion in Assets under Management on a discretionary and/or non-discretionary basis from governmental entities.
5. Advisor shall have a minimum of ten years of experience in managing government operating and bonded debt funds.
6. Advisor must meet the insurance requirements as set forth in this RFQ, which will be incorporated into the Professional Services Contract.

(USE A SEPARATE PAGE TO BEGIN EACH NUMBERED ITEM BELOW)

Letter of Transmittal

Each proposal should be accompanied by a letter of transmittal not exceeding two pages which summarizes key points of the proposal and which is signed by an Authorized Officer of the Firm who is responsible for committing the firm's resources.

1. Basic Information Requirements. Provide the following:
 - a. Name of the firm making the proposal; name of firm principals. Name of firm principal who will be responsible for service provided under this RFQ/contract.

- b. Name and title of individual preparing and responsible for the proposal. This person may be different from the individual signing the transmittal page.
- c. Mailing Address; if firm has more than one office, identify which office will be principally responsible for service under this RFQ/contract.
- d. Telephone and fax numbers of Proposer; if firm has more than one office, identify the appropriate telephone and fax numbers for the office which will be principally responsible for service under this RFQ/contract.
- e. E-mail address and contact information of firm principal who will be responsible for service provided under this RFQ/contract and of the individual preparing and responsible for the proposal.
- f. Statement that individual signing the proposal has the authority to commit the firm to the terms proposed.
- g. Disclosure of the firm's affiliation or relationship with any and all broker-dealers.
- h. Amounts and types of insurance carried, including the deductible amount, to cover errors and omissions, improper judgments, or negligence.
- i. Disclosure of any finder's fees, fee splitting, payments to consultants, or other contractual arrangements of the firm that could present a real or perceived conflict of interest.
- j. Disclosure of any pending investigation of the firm or enforcement or disciplinary actions taken within the past three years by federal, state, or local prosecutors, law enforcement or regulatory bodies.
- k. Disclosure of gifts, loans, political contributions, or other financial arrangements, from the Proposer firm, its principals, or associated municipal advisor professionals, to or with members of the City of Fort Worth, City of Fort Worth Elected Officials or any of its employees or agents for the previous twenty-four (24) months.
- l. Name of Proposer's legal counsel.

2. Investment Advisor Fee Proposal.

City requests that each firm provide fee(s) based on the services as outlined in this RFQ. Please provide all assumptions and calculations. The fee must be "all inclusive".

If the Proposer is proposing that the City bear the cost of incidental expenses associated with a financing, clearly state what type of incidental expenses are proposed for the City to bear. Firms shall include a maximum amount for expenses it expects the City to reimburse. Firms should include a comprehensive statement of conditions under which EACH identified item of expenses may be billed. Costs for expense reimbursement, if any, are to be clearly itemized.

The proposal must include a summary of billing rates for additional agreed-upon services that are outside the scope of this RFQ. Any service(s) to be performed outside the scope of this RFQ that results in an additional fee must be agreed to, in writing, by the City and requires a separate engagement letter.

SECTION IV

CRITERIA FOR PROPOSAL EVALUATIONS

A. ACCEPTANCE OF THE FOLLOWING TERMS:

1. **Contract.** The City intends to select the Investment Advisor and enter into a formal contract with the Investment Advisor as soon as practicable after receipt of proposals. The contract will contain fiscal funding and right to terminate clauses. If Proposer is unable to agree to the contract terms, the City reserves the right to select another competing proposal.
2. **Contract Term.** The contract between the selected firm and the City of Fort Worth for investment advisor services will be for an initial term of three years beginning on or about May 1, 2021, or as otherwise dictated by the needs of the City, with the City retaining the exclusive option to extend the agreement resulting from this solicitation for two additional one-year periods. Each subsequent renewal period will automatically go into effect unless either party provides at least thirty (60) day written notice in advance of the applicable anniversary date that the contract will not be renewed.

Any adjustments in rates in subsequent years will be based on mutual agreement prior to each renewal.

3. **Reservation of Rights.**
 - a. City reserves the right to award one (1), more than one (1) or no contract(s) in response to this RFQ.
 - b. The Contract, if awarded, will be awarded to the Firm(s) whose Proposal(s) is deemed most advantageous to City, as determined by the selection committee, upon approval of the City Council.

- c. City may accept any Proposal completely or in part. If subsequent negotiations are conducted, they shall not constitute a rejection or alternate RFQ on the part of City. However, final selection of a Firm is subject to City Council approval.
- d. City reserves the right to accept one (1) or more proposals or reject any or all proposals received in response to this RFQ, and to waive informalities and irregularities in the proposals received. City also reserves the right to terminate this RFQ, and reissue a subsequent solicitation, and/or remedy technical errors in the process.
- e. City will require the selected Firm(s) to execute a contract with the City, prior to City Council award. No work shall commence until City signs the contract document(s) and Firm provides the necessary evidence of insurance as required in this RFQ and the Contract. Contract documents are not binding on City until approved by the City Attorney and the Contract is executed on behalf of the City. In the event the parties cannot negotiate and execute a contract within the time specified, City reserves the right to terminate negotiations with the selected Firm and commence negotiations with another Firm
- f. The City reserves the right to add similar services or delete services specified in any contract resulting from this procurement if requirements change during the performance of the contract. Prices for services to be added to the contract will be mutually agreed to by the City and the Vendor. A contract modification will be required for any addition or deletion.
- g. This RFQ does not commit City to enter into a Contract, award any services related to this RFQ, nor does it obligate City to pay any costs incurred in preparation or submission of a Proposal or in anticipation of a contract.

4. Conflicts of Interest.

- a. No public official shall have interest in this contract, in accordance with Vernon's Texas Codes Annotated, Local Government Code Title 5, Subtitled C., Chapter 171.
- b. Disqualification for failure to disclose material information to City: A Proposer may be disqualified for failure to disclose material information to the City. "Material information" is defined as of sufficient importance or relevance as to have possible significant influence on the City's choice of Investment Advisor.

B. TOTALITY OF INFORMATION PROVIDED IN THE RESPONSE TO THE RFQ

The following criteria will be used to evaluate proposals received:

1. Proposer's Qualifications and Experience (50%) - This criterion includes the ability of the Proposer to: Meet the terms of the RFQ, and any special considerations, which the Proposer feels may increase its ability to perform the Contract.
 - a. Expertise; superior capability to perform the services required.
 - b. Quality of performance; professional qualifications of the key personnel assigned relevant to the work to be performed.
 - c. Experience, within the last 5 years, providing the services outlined in this RFQ
 - d. Reputation; ethical standards, disciplinary history – such as judgments and sanctions.
 - e. Feedback from at least three references of agencies of similar scope and size.

2. Understanding the Needs of the City (20%) - This refers to the Proposer's:
 - a. Understanding the City's portfolio needs and objectives.
 - b. Understanding of the nature and scope of the work involved.
 - c. Accessibility and responsiveness; ability to meet the schedules and deadlines as outlined in this RFQ.
 - d. Prior experience with municipalities and Texas cities; familiarity with Fort Worth.

3. Commitment to Business Equity Firm Provision (15%)

All Bidders shall note that it is the policy of the City of Fort Worth to ensure the full and equitable participation in its procurements, specifically the participation of Business Equity Firms (Minority and Women Owned Business Enterprises).

Please include a detailed plan on how your firm will utilize Business Equity Firms on this project?

4. Reasonableness of Costs (10%) - Cost and efficiency of approach. Efficiency and economy are very important to the City. This area will not necessarily be the primary deciding factor in the selection process.
5. Soundness of Approach (5%) - Emphasis here is on the techniques for providing the services requested, and on the Proposer's capability to deliver the desired services on schedule. Special emphasis should be placed on responding to questions asked by the City in this solicitation, and on outlining problems that may be encountered and offering solutions to those problems.

SECTION V

SCHEDULE OF EVENTS

RFQ Release Date	February 3, 2021
Final Questions Accepted	February 17, 2021
City Response to Questions	February 24, 2021
Proposals Due	March 3, 2021
Interviews with Finalists	Week of March 15 (Tentative)
Winning Proposal(s) Selection (Anticipated)	March 19, 2021
Anticipated City Council Approval	April 20, 2021
Anticipated Effective Date of Contract	May 1, 2021

End of Document