

REQUEST FOR QUALIFICATIONS

For MANAGEMENT INVESTMENT ADVISORY SERVICES

for

Greenville Utilities Commission

Submittal Due Date: January 26th at 3:00PM EDST

Issuing Department: Finance Department



1 REQUEST FOR QUALIFICATIONS

1.1 Introduction

The Greenville Utilities Commission (the “Commission”) is soliciting qualifications from qualified firms that provide discretionary or non-discretionary management investment advisory services to government entities to (1) provide advice and related services to the Commission in its investment of idle funds, including operating funds and bond proceeds, governed by North Carolina General Statute (NCGS) 159-30, as well as the Commission’s current Investment and Portfolio Policy (Exhibits A and B) and (2) in providing such services, to develop or provide the Commission with a cash flow model that provides the ability to match and manage future investment needs based on the Commission’s cash flow requirements . Qualified firms include those who are registered investment advisors with the Securities and Exchange Commission. The purpose of this RFQ is to allow the Commission to evaluate these services.

1.2 Background

The Commission operates a Combined Enterprise System, serving over 154,000 connections almost entirely within Pitt County, North Carolina. Established in 1905, the Commission through its electric system department, water resources department, gas system department, and administrative and support personnel, currently employs approximately 470 employees. The City of Greenville is a commercial, educational and medical hub for eastern North Carolina. The area is one of the fastest growing urban centers in the State. The area is also a leading retail center in the eastern part of the State and is one of only a dozen billion dollar retail markets in the State. The local economy is well diversified with government, wholesale/retail trade and manufacturing each accounting for approximately 25% of total employment.

The Finance Department is responsible for debt management, investment management, and banking activities for the Commission. The investment policy of the Commission is guided in large part by N.C.G.S. 159-30, whereby investments in certificates of deposit, repurchase agreements, secured time deposits, bankers' acceptances, commercial paper, United States government and agency securities and the North Carolina Capital Management Trust are made. Deposits of the Commission are governed by State Statute 159-31, which states that public moneys must be deposited at designated depositories, and that all funds deposited must be fully secured by pledged collateral, letters of credit, or deposit insurance, in the amount to cover the funds in the event of a loss by the depository institution.

1.3 Scope of Services

The Commission’s investment program uses a pooled investment strategy where all monies of all Commission funds, with the exception of bond proceeds, are combined and invested in a portfolio that is layered with various maturities in order to meet cash flow requirements. As of November 30th, 2017, the Commission’s pooled investment portfolio totaled approximately \$119.4 million. Bond proceeds are kept in separate and distinct accounts related to the particular series of bonds that were issued.

The investment of the Commission's operating funds and bond funds are governed by N.C.G.S. 159-30 and the Commission's current Investment and Portfolio Policy (Exhibit A and Exhibit B). The Commission's main investment objective is to manage with the three philosophical principles of safety, liquidity and yield.

The Commission desires for the selected investment advisor to provide professional advisory services related to the described investment portfolio and, in providing such services, develop or provide the Commission with a cash flow model that provides the ability to match and manage future investment needs based on the Commission's cash flow requirements. Specifically, the Commission requests that the selected investment advisor include the following items as part of their services:

- Provide initial and periodic review and ongoing development of the Commission's Investment and Portfolio Policy.
- Assist staff with ongoing analysis of the Commission's current portfolio structure and review of investment strategies and objectives.
- Maintain and/or support a comprehensive cash flow modeling to allow the Commission to match investment maturities to the Commission's cash flow requirements, including revenues and disbursements. This model should allow both a look back to compare actual cash flow experience against projections as well as a look forward to enable the Commission to correlate its projected receipts, disbursements and existing investment maturities with new investment maturity requirements.
- Provide on-site quarterly portfolio performance review meetings. Discuss the portfolio's investment plan, strategy and performance, and suggest modifications, if necessary. Please provide a sample of your standard quarterly report. The quarterly report shall include the following:
 - Current and targeted asset allocations of the portfolio;
 - An analysis of portfolio returns versus key benchmarks;
 - Actual receipts and disbursements compared to projection;
 - Performance of any outside managers;
 - Broker/dealer concentration;
 - Recommended new purchases by investment category.
- Provide market assessment in conjunction with strategy review to determine if real-time or anticipated market changes necessitate adjustment to investment strategy. Be available for questions from internal staff regarding market conditions, specific trade evaluation and purchasing decisions.
- Have the ability to provide discretionary investment management advisory services for a portion or up to one hundred percent of the Commission's investment portfolio.

- Maintenance of authorized broker/dealer list:
 - The Commission currently deals with a pool of broker/dealers that are used for purchasing investments. The Commission would like assistance with maintenance and modification of the list and an independent evaluation of the list.
- Evaluation of external discretionary managers
 - Provide quarterly evaluation of the performance of the Commission’s external discretionary managers (as applicable), including evaluation of appropriate benchmarks.
- Evaluate investment strategy for any new and existing bond funds to maximize investment earnings bearing in mind that the investment of bond proceeds shall be governed and controlled by their governing ordinances and by all regulations and rulings applicable to the issuance of such obligations.
- Enhanced reporting:
 - Assist internal staff with analysis and preparation of memos, charts, graphs, Power Point slides, etc. for presentation to senior management or public officials to report on portfolio performance, current and anticipated market conditions and any other issues.
- Provide investment training, as needed. This includes training for internal staff on investment processes, procedures, types and structures.

Respondents shall include in the response a description of any significant tasks not listed in the Scope of Services which they know to be necessary either as reimbursable expenses under the Contract or as a service to be contracted for separately by the Commission.

By submitting its response, respondents certify they are currently eligible to serve as an investment consultant for the Commission.

1.4 RFQ Response Timeline

The RFQ process shall adhere to the following schedule.

RFQ Process	Date and time	
RFQ posted	12/8/17	5:00 PM (EDST)
Respondent’s Written Questions Due	12/15/17	3:00 PM (EDST)
GUC Responses to Respondent’s	1/5/18	End of business day
RFQ Due Date - Qualifications Due	1/26/18	3:00 PM (EDST)

Note: All times shown as Eastern Daylight Savings Time (EDST).

1.5 Questions Related to RFQ

Upon review of the RFQ, Respondents may have questions to clarify or interpret the RFQ in order to submit the best proposal possible. Questions concerning the specifications in this RFQ should be e-mailed to Cleve Haddock, CLGPO at: haddocgc@guc.com until Friday, December 15, 2017. The Commission will not entertain any further questions after the Respondent's Written Questions Due Date. Please refrain from making inquiries with any other Commission employee regarding this RFQ. A summary of all questions and answers will be posted on the internet as an addendum, located under the RFQ # 17-61 being modified.

It is the respondent's responsibility to assure that all addenda have been reviewed and, if need be, signed and returned.

1.6 Submission Requirements

Submittal requirements must follow the format as defined in Section 2.

The Commission has adopted an Affirmative Action and Minority and Women Business Enterprise Plan (MWBE) Program. Firms submitting a response to RFQ are attesting that they also have taken affirmative action to ensure equality of opportunity in all aspects of employment, and to utilize MWBE suppliers of materials and labor when available. Minority owned and operated businesses are encouraged to participate in the submission process.

Responses to the RFQ should be delivered electronically to Cleve Haddock at haddocgc@guc.com on January 26th, 2018 by 3:00 pm EST. Mr. Haddock's contact information is listed below:

Cleve Haddock, CLGPO
Greenville Utilities Commission
Procurement Coordinator
Telephone: 252-551-1533
E-mail: haddocgc@guc.com

All submittals must be received by the designated date and hour. Documents received after the date and hour designated are automatically disqualified and will not be considered. It is the sole responsibility of the Respondent to ensure that the response to the RFQ is submitted by the designated time and hour.

Respondents must respond to the entire Request for Qualifications (RFQ). Any qualifications received by the Commission that are incomplete in their responses will be immediately disqualified.

1.8 Rights to Submitted Material

All qualifications, responses, inquiries, or correspondence relating to or in reference to this RFQ, and all reports, charts, and other documentation submitted by Respondents (other than materials submitted as and qualifying as trade secrets under North Carolina law) shall become the property of the Commission when received and the entire submittal shall be subject to the public records laws of the State of North Carolina except where a proper trade secrets exception has been made by the Respondent in accordance with the procedures allowed by North Carolina law.

The Commission reserves the right to retain all responses to the RFQ and to use any ideas in a respondent's response regardless of whether that submittal is selected. Submission of a response to this RFQ indicates acceptance by the respondent of the conditions contained in this RFQ.

1.9 Respondent Expenses

The Commission will not be responsible for any expenses incurred by any respondent in the development of a response to this Request for Qualification or any other activities associated with this procurement including but not limited to any onsite (or otherwise) interviews and/or presentations, and/or supplemental information provided, submitted, or given to the Commission and/or its representatives. Further, the Commission shall reserve the right to cancel the work described herein prior to issuance and acceptance of any contractual agreement/purchase order by the recommended Respondent even if the awarding authority for each entity has formally accepted a recommendation.

1.10 Acceptance

Submission of any response indicates a respondent's acceptance of the conditions contained in this RFQ unless clearly and specifically noted otherwise in the submittal. Furthermore, the Commission is not bound to accept a response on the basis of lowest price, and further, the Commission has the sole discretion and reserves the right to cancel this RFQ, and to reject any and all qualifications, to waive any and all informalities and/or irregularities, or to re-advertise with either the identical or revised specifications, if it is deemed to be in the Commission's best interests to do so. The Commission reserves the right to accept or reject any or all of the items in the response to the RFQ, and to award a contract in whole or in part and/or negotiate any or all items with individual respondents if it is deemed in the Commission's best interest. Moreover, the Commission reserves the right to make no selection if qualifications are deemed to be outside the fiscal constraint or not in the best interest of the Commission.

2 Submittal Format

All responses to this request will be subject to the North Carolina Public Records Law.

The font size shall not be smaller than 11-point and the total document should be limited to thirty (30) pages.

To be considered each response must contain all of the following information, tabbed as identified, and in the sequence indicated below.

Completeness and clarity of the response will be an important consideration, as will the conciseness of the response package. Responses should include the following sections.

2.1 SECTION 1: LETTER OF TRANSMITTAL – The letter of transmittal should acknowledge the following:

- a) Introduction letter with intent as it may pertain to the Request for Qualification.
- b) The Respondent and Respondent’s key professionals do not have and do not anticipate a potential conflict of interest with the Commission.
- c) The Respondent acknowledges that all costs incurred by the Respondent in connection with responding to this RFQ shall be borne solely by the Respondent.

2.2 SECTION 2: TABLE OF CONTENTS

2.3 SECTION 3: EXECUTIVE SUMMARY

In two pages or less, provide a brief statement explaining why the Commission should consider your firm for Investment Management services.

2.4 SECTION 4: RELEVANT COMPANY EXPERIENCE

- a) Provide the location of the office responsible for the proposed services and the number of supervisory staff, seniors and other professional staff employed at that office.
- b) Describe the general capabilities of your firm and others who will be participating in these transactions.
- c) Provide resumes of key executives(s) and others who will be assigned to work with the Commission.
- d) Identify the staff who will primarily perform the investment management services for the Commission and the location of the office from which they usually work.
- e) Describe your firm’s ability to ensure that a qualified staff will always be available to meet the Commission’s needs, including times when the primary point of contact is unavailable.

2.5 SECTION 5: REFERENCES - EXPERIENCE

- a) Provide a summary of the number of cities, counties and other governmental entities in North Carolina for whom your firm manages funds in a discretionary or non-discretionary manner. **(This information may be included as an appendix and is not applicable to the 30 page limit.)**
- b) Provide the number of discretionary or non-discretionary accounts added by your firm over the last three (3) years and the number of accounts that have ended their relationship with your firm. Provide a brief description of the reason for termination of the relationship. **(This information may be included as an appendix and is not applicable to the 30 page limit.)**

- c) Provide five (5) client references. Include the name of the client, contact person, e-mail address, and phone number.

2.6 SECTION 6: SCOPE OF SERVICES, UNDERSTANDING AND APPROACH

This section shall include, in narrative or outline form, the respondent's approach to accomplishing the tasks outlined in the Scope of Services section 1.3 of this RFQ.

2.7 SECTION 7: INSURANCE

Identify your insurance company and describe the malpractice, and errors and omissions insurance coverage carried by your firm for work of this nature.

2.8 SECTION 8: LITIGATION/REGULATORY ACTION

List any disciplinary actions, administrative proceedings, or claims asserted by the Internal Revenue Service, the Securities and Exchange Commission, the National Association of Securities Dealers. Include any malpractice claims or similar proceeding against your company, its principals, employees, or agents occurring in the past ten (10) years. State the date of commencement, conclusion and the final outcome.

2.9 SECTION 9: PRICING

- a) Clearly identify the proposed costs for the contract. The Commission's preference is for respondents to provide a flat fee for advisory reporting services, but the Commission will consider other qualifications such as those based on a percentage of the total value of the portfolio. Pricing needs to clearly delineate between discretionary and non-discretionary services.
- b) If any costs will be billed to the Commission outside of the proposed fees (licenses, travel expenses, equipment), please include a clear outline of those costs in the response.

2.10 SECTION 10: RESPONDENT'S CERTIFICATION

The Respondent's Certification set forth below shall be completed and signed by the person submitting the response to the RFQ on behalf of your firm.

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RESPONDENT’S CERTIFICATION

I have carefully examined the submittal to the Request for Qualifications, and any other documents accompanying or made a part of this submittal.

The firm identified below hereby proposes to furnish the services specified in the Request for Qualifications. I agree that the submittal will remain firm for a period of up to 150 days in order to allow the Commission adequate time to evaluate the responses submitted.

I verify that all information contained in this submittal is truthful to the best of my knowledge and belief. I further certify that I am duly authorized to submit this response to the Request for Qualifications on behalf of the firm as its act and deed and that the firm is ready, willing and able to perform if selected.

I further certify that this submittal to the Request for Qualifications is made without prior understanding, agreement, connection, discussion, or collusion with any other person, firm or corporation submitting a Request for Qualifications for the same product or service; no officer, employee or agent of Greenville Utilities Commission; and that I, the undersigned, executed this certification with full knowledge and understanding of the matters therein contained and was duly authorized to do so.

NAME OF BUSINESS

SIGNATURE

NAME & TITLE, TYPED OR PRINTED

MAILING ADDRESS

CITY, STATE, ZIP CODE

TELEPHONE NUMBER

3 Evaluation Criteria

Selection shall be based on evaluation and rating of Respondent’s demonstrated competence and qualifications/performance for the type of services/products to be offered. Qualifications will be evaluated based on, but not necessarily limited to, the following criteria:

Criteria	(a) Weight (%)	(b) Score (0-3)	(a) x (b) Weighted Score
Corporate Background	15		
Proposed Team Qualifications	10		
Experience and References	10		
Scope of Services Understanding and Approach	45		
Cost Proposal	20		
Final Score			

Score Points	
0- Missing or Does Not Meet Expectation	2- Meets Expectation
1- Partially Meets Expectation	3- Exceeds Expectation

It is expected that the Commission’s selection will be to the Respondent that best meets the needs of Commission. The Commission reserves the right to change the criteria and to otherwise vary from this procedure as it determines to be in the Commission’s best interest. The Commission also reserves the right to conduct interviews with the most qualified Respondents.

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4

Letter of Compliance to E-Verify for Greenville Utilities Commission

1. I have submitted a bid/proposal for contract or desire to enter into a contract with the Greenville Utilities Commission;
2. As part of my duties and responsibilities pursuant to said bid/proposal/or contract, I affirm that I am aware of and in compliance with the requirements of E-Verify, Article 2 of Chapter 64 of the North Carolina General Statutes, to include (mark which applies):

3. ___ After hiring an employee to work in the United States I verify the work authorization of said employee through E-Verify and retain the record of the verification of work authorization while the employee is employed and for one year thereafter; or
4. ___ I employ less than fifteen (15) employees in the State of North Carolina.

5. As part of my duties and responsibilities pursuant to said bid/proposal/or contract, I affirm that to the best of my knowledge and subcontractors employed as a part of this bid/proposal/or contract, are in compliance with the requirements of E-Verify, Article 2 of Chapter 64 of the North Carolina General Statutes, to include (mark which applies):

6. ___ After hiring an employee to work in the United States the subcontractor verifies the work authorization of said employee through E-Verify and retains the record of the verification of work authorization while the employee is employed and for one year thereafter; or
7. ___ Employ less than fifteen (15) employees in the State of North Carolina.

Specify subcontractor: _____

_____ (Company Name)

By: _____ (Typed Name)

_____ (Authorized Signatory)

_____ (Title)

_____ (Date)

5 TERMS AND CONDITIONS

GUC reserves the right to reject all Qualifications or accept such Qualifications, as appears in its own best interest, and to waive technicalities or irregularities of any kind in the proposal.

1.0 CONFLICT OF INTEREST

In general, conflicts of interest relate to the potential for self-gain usually, but not always, of a fiscal nature. Potential for self-gain can serve to undermine the judgment or objectivity of Proposers providing consultation services. A potential or actual conflict of interest exists when commitments and obligations to GUC are likely to be compromised by a Proposer's other interests or commitments, especially economic, particularly if those interests or commitments are not disclosed. Not all conflicting interests are necessarily impermissible. Timely and complete disclosure of potential conflicts of interest may be a satisfactory remedy and protects the consultant from suspicion and accusations of breach of professional integrity. Proposers are asked to disclose any situation or relationship that might be regarded as potential conflict of interest with, but not limited to, their expected duties and recommendations as defined in this RFQ.

2.0 PROPOSER INCURRED COSTS

All costs that may be incurred to prepare Qualifications, attend meetings, attend site inspections, provide requested follow-up information, make formal and informal presentations, and for the entire contract negotiations process if applicable, shall be the sole responsibility of each Proposer. GUC is not responsible under any circumstances for reimbursement of any costs that may be incurred by Proposers during the proposal preparation, subsequent selection or negotiation stages.

3.0 MINORITY BUSINESS PARTICIPATION PROGRAM

GUC has adopted an Affirmative Action and Minority and Women Business Enterprise Plan (M/WBE) Program. Firms submitting a proposal are attesting that they also have taken affirmative action to ensure equality of opportunity in all aspects of employment, and to utilize M/WBE suppliers of materials and/or labor.

4.0 INSURANCE REQUIREMENTS

GUC shall be named as additional insured for its interest on all policies of insurance except Worker's Compensation as regards ongoing operations, products, and completed operations and this shall be noted on the face of the Certificate of Insurance.

Certificates for all such policies shall be provided by the Firm's insurance agent or broker to GUC within (fifteen) 15 working days from the date of award. Firm will provide GUC a minimum of 30 days advance notice in the event of the insurance policies or insurance policy is canceled. Sub-consultants approved by GUC to perform work on this project are subject to all of the requirements in this section. Firm agrees to maintain and keep in force during the life of the design engagement, with a company or companies authorized to do business in North Carolina for the following insurance policies:

Automobile Liability - \$1,000,000.00 per Occurrence- Combined Single Limit

Coverage shall include bodily injury and property damage and cover all vehicles including owned, non-owned and hired.

Commercial General Liability - \$1,000,000.00 per Occurrence
(Including products and completed operations liability)

Worker's Compensation

Coverage A - State of North Carolina Statutory
Coverage B - Employers Liability
\$500,000.00/\$500,000.00

Umbrella Liability - \$1,000,000.00 Per Occurrence Over Primary Insurance

Errors and Omissions Liability - \$2,000,000.00

5.0 PROPOSAL WITHDRAWAL

A proposer must notify the Commission in writing of its request to withdraw a proposal within seventy-two (72) hours after the proposal opening, not including Saturdays, Sundays, or holidays. In order to justify withdrawal, the proposer must demonstrate that a substantial error exists and that the proposal was submitted in good faith.

6.0 AFFIRMATIVE ACTION

The Provider will take affirmative action in complying with all Federal and State requirements concerning fair employment and employment of the handicapped, and concerning the treatment of all employees, without discrimination by reason of race, color, religion, sex, national origin, or physical handicap.

7.0 MEDIATION/BINDING ARBITRATION

In the event of any dispute between the Parties, the Parties agree to submit any dispute to nonbinding mediation before a mutually agreeable Mediator prior to initiating litigation. If the Parties are unable to agree upon a Mediator within thirty (30) days after demand therefore, either Party may petition a Court of competent jurisdiction for the designation of a qualified Mediator for these purposes. Each Party shall bear its own costs and expenses of participating in the mediation (including, without limitation, reasonable attorneys' fees), and each Party shall bear one-half (1/2) of the costs and expenses of the Mediator. Unless otherwise agreed, the Parties will hold the mediation in Greenville, North Carolina. The matters discussed or revealed in the mediation session shall not be disclosed in any subsequent litigation. In the event the matter is not resolved in mediation, either Party may request arbitration. The parties shall jointly select an Arbitrator, and shall be bound by the decision of the Arbitrator with respect to any dispute between the parties with respect to this Agreement. If the parties are unable to mutually agree upon an Arbitrator, the Parties shall each select an Arbitrator, and the two Arbitrators so selected shall select a third Arbitrator, and the decision of the majority of the Arbitrators shall be conclusive and binding upon the Parties. The Parties at all times agree to equally split the costs of any Arbitrator(s) selected in an effort to resolve the dispute between the Parties. Any party desiring to resolve a dispute under the terms of this Agreement shall notify the other Party in writing, and the Parties shall seek to agree upon a mutually agreed upon Arbitrator within a period of ten (10) days from the date of such written demand. If the Parties are unable to agree within such ten (10) day period, the Parties shall each select an Arbitrator, and the two (2) Arbitrators so selected shall select a third Arbitrator within fifteen (15) days from the date of the written demand for arbitration, and a decision shall be rendered by the Arbitrator(s) so selected within five (5) days after such Arbitrator(s) is selected.

8.0 INDEMNITY PROVISION

Provider agrees to indemnify and save GUC of the City of Greenville, Pitt County, North Carolina, and the City of Greenville, North Carolina, its co-owners, joint ventures, agents, employees, and insurance carriers harmless from any and all losses, claims, actions, costs, expenses including reasonable attorney fees, judgments, subrogations, or other damages resulting from injury to any person (including injury resulting in death), or damage (including loss or destruction) to property of whatsoever nature of any person arising out of or incident to the performance of the terms of this Contract by Provider,

including, but not limited to, Provider's employees, agents, subcontractors, and others designated by Provider to perform work or services in, about, or attendant to, the work and services under the terms of this Contract. Provider shall not be held responsible for any losses, expenses, claims, subrogations, actions, costs, judgments, or other damages, directly, solely, and proximately caused by the negligence of GUC of the City of Greenville, Pitt County, North Carolina. Insurance covering this indemnity agreement by the Provider in favor of Greenville Utilities Commission of the City of Greenville, Pitt County, North Carolina, shall be provided by Provider.

9.0 GOVERNING LAWS

All requests, contracts, transactions, agreements, etc., are made under and shall be governed by and construed in accordance with the laws of the State of North Carolina.

10.0 ADMINISTRATIVE CODE

Bids, Qualifications, and Awards are subject to applicable provisions of the North Carolina Administrative Code.

11.0 SITUS

The place of all contracts, transactions, agreements, their situs and forum, shall be North Carolina, where all matters, whether in contract or tort, relating to the validity, construction, interpretation, and enforcement shall be determined.

12.0 E-VERIFY

E-Verify - I understand that E-Verify is the federal E-Verify program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law in accordance with NCGS §64-25 et seq. I am aware of and in compliance with the requirements of E-Verify and Article 2 of Chapter 64 of the North Carolina General Statutes. To the best of my knowledge, any subcontractors employed by me as a part of this contract are in compliance with the requirements of E-Verify and Article 2 of Chapter 64 of the North Carolina General Statutes.

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