

JUNE 18, 2021



REQUEST FOR PROPOSAL INVESTMENT MANAGEMENT

21-01

MARION COUNTY HOSPITAL DISTRICT
2547 E. Silver Springs Blvd., Ocala, FL 34470

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SECTION 1: ADMINISTRATIVE INFORMATION

INTRODUCTION:

The Marion County Hospital District is soliciting proposals to secure a contract for Investment Management Services. The District seeks an experienced firm to provide advisory council and investment management services for a portfolio currently valued at approximately \$295 million which is divided between three managers. The investment manager will only be responsible for approximately \$100 Million.

OFFICIAL MEANS OF COMMUNICATION:

During the solicitation process for this RFP, all official communication between the District and offering firms will be via postings on the Marion County Hospital District website at: [https:// www.mchdt.org/RFP](https://www.mchdt.org/RFP). Notices may include, but are not limited to, any modifications to administrative or performance requirements, addendums or revisions to any part of the RFP, answers to inquiries received, clarifications to requirements, and the announcement of the winning proposal. **Proposing firms must carefully and regularly monitor the website for any such postings.**

SCOPE:

This RFP provides instructions governing the proposal to be submitted, mandatory requirements which must be met to be eligible for consideration, criteria by which a firm may be selected, and the contractual terms by which the District proposes to govern the relationship with the selected firm.

RFP Issue Date	JUNE 18, 2021
Inquiries Due	JULY 5, 2021
Response to Inquiries	JULY 15, 2021
Proposal Submission Deadline	August 6, 2021
Selection of Finalists	AUGUST 24, 2021
Oral Presentations (if necessary)	TBA
Approval by Investment Committee	AUGUST 24, 2021
Approval by District Board	AUGUST 30, 2021
Contract Start Date	September 31, 2021

SCHEDULE OF ACTIVITIES

INQUIRIES: Firms may make inquiries concerning this RFP to obtain clarification of requirements. No inquiries will be accepted after the date and time indicated in the Schedule of Activities. Send all inquiries to Joseph Hanratty at joehanratty@hotmail.com. Responses to inquiries will be published online as a separate item under RFP 21-01 Investment Management Services at <https://www.mchdt.org/RFP>.

MODIFICATION OR WITHDRAWAL OF PROPOSALS: Proposals may be modified or withdrawn by the offering firm prior to the established submission due date and time.

PROPOSAL SUBMISSION: To be considered responsive, proposals must be received on or before the date and time indicated in the Schedule of Activities. All proposals received will become part of the official files of Marion County Hospital District without any obligation on the part of the District. Proposals received after the deadline will not be considered. Firms mailing their proposals are advised to allow sufficient mail delivery time to ensure receipt of their proposals by the time specified. The proposal package, one (1) original and ten (10) Copies and (1) electronic copy (by memory stick) of all materials, must be delivered or sent by mail to:

Marion County Hospital District,

Debra Velez, Chief Operating Officer
2547 East Silver Springs Blvd.
Ocala, FL 34470

Proposals must be submitted and sealed in a package clearly marked on the outside lower left corner:

RFP 21-01 INVESTMENT MANAGEMENT
SERVICES SEALED PROPOSAL

The District reserves the right to reject any and all proposals in whole or in part, to withdraw the RFP, to waive informalities in the solicitation documents, and to obtain new proposals. The RFP does not obligate the District to accept or contract for any expressed or implied services, nor does it obligate the District to pay any costs incurred by respondents in the preparation and submission of a proposal. Each proposal shall be valid and binding for a period of ninety (90) days after the RFP submission due date.

ORAL PRESENTATIONS: Firms deemed most qualified, after initial evaluation, may be asked to make oral presentations by the Investment Committee. Such presentations will be at the firms' expense. The scheduled date for presentations will be announced on the Website and Via Email to each submitter if presentations are deemed necessary.

AWARD OF CONTRACT: As described within the RFP, an Investment Committee will review and score proposals submitted and make a recommendation for award. The proposal selected will be that which is found most advantageous to the District. A contract must be completed and signed by all parties concerned. In the event the parties are unable to enter into a contract, the District may elect to cancel the award and enter into negotiations with the next ranking bidder.

SECTION 2: BACKGROUND, OVERVIEW AND GOALS

ORGANIZATION:

The Marion County Hospital District was established in 1965 to provide for the healthcare for the citizens of Marion County. Since that time, the District has leased the hospital it operated and has invested the assets while reinvesting in the community. Today, the District has established a portfolio of approximately \$295 Million.

The Marion County Hospital District is governed by a Board of Directors comprised of community leaders who volunteer their time and talents to help ensure the District achieves its mission. The District is active in the community by providing healthy programs for the citizens of Marion County and assets for capital expansion of Health Care related facilities. The organization's leadership works closely with the Community to help address the District's health care priorities. The District is a Dependent Special District of the State of Florida and retains fiduciary responsibility for the investment of the funds entrusted to it. More information about the District can be found at <https://www.mchdt.org/>. The District is a governmental entity of the state of Florida and is subject to Florida's sunshine law. All material submitted and all communications between proposing firms in the district are subject to public disclosure.

ASSETS TO BE MANAGED:

The District currently employs three different Investment Advisors, each responsible for approximately one third of the of the total portfolio that is currently valued at approximately \$295 Million. The investment pool represents funds intended to support long-term goals of the District while maintaining the Corpus in the event it is necessary to resume control of the Hospital it leases. Investment Managers are requested to base their proposals on providing long term investment returns in excess of the spending rate and in accordance with the investment policy.

A copy of the current Investment Policy statement is included as an attachment to this RFP.

AUTHORITY AND RELATIONSHIP:

The expectation is to establish a long-term relationship with the investment management firm(s) selected as part of this process, subject to periodic re-bid.

SECTION 3: SCOPE OF SERVICES

1. Investment managers will invest funds in accordance with the Marion County Hospital District Investment Policy Statement.
2. Investment managers will follow the Benchmarks set forth in the Investment Statement.
3. Investment managers will provide monthly electronic statements by the —day of the following month.
4. Investment managers are required to make presentations as outlined in the investment policy.
5. Investment managers will provide education and training to Board members and staff on investment topics as requested.
6. Investment managers will be expected to work with the District consultant to provide reporting and analysis on individual investment and allocation decisions made by the manager.
7. All pertinent changes in personnel of the investment firm as they relate to portfolio accounts should be reported as they occur.

SECTION 4: REQUIRED PROPOSAL INFORMATION

Proposals shall specifically address and include the following information:

A. Company Information

1. Year organized;
2. Number of clients and type of clientele (defined by industry and size of portfolio);
3. Number of governmental or not-for-profit institutional clients;
4. Total amount of governmental or not-for-profit institutional assets under management.
5. Number of investment related staff;
6. Assets under management;
6. Institution's current credit rating by rating agency;
7. Number of offices located in the State of Florida;
8. Location of corporate headquarters;
9. Related organizations; and
10. List of any current litigation or regulatory actions against the firm.

B. Qualifications

1. Resumes of principals and professional staff responsible for the account;
2. Number of years of experience in investment management;
3. Describe investment philosophy;
4. Describe customer service philosophy;
5. Include a list of your non-profit and Government clients, specifically special districts; and
6. Include three (3) specific references that we may contact (clients most similar to Marion County Hospital District in type and size and similar services requested).

C. Reporting, Portfolio Evaluation and Review of Accounts

1. Frequency of reporting to clients;
2. Format of reports (include sample reports in proposal submission);
3. Frequency of portfolio evaluation.
4. Describe your philosophy and process for rebalancing the portfolio.
5. How frequently do you meet with clients to review strategy and who is typically involved in those meetings and what is the format?
6. Confirm that you will provide consolidated reporting of all investment returns quarterly by individual manager including an assessment of performance and compliance with the Board approved investment policies, and that you will provide written commentary as to why individual managers have or have not met their goals and your specific recommendations for continuing or discontinuing the employment of said manager as a result.

D. Recommended Asset Allocation

1. Recommended asset allocation utilizing the District IPS and estimated annual rate of return for one, three, and five years based on past performance;
2. Describe your firm's process and strategies for developing a portfolio structure and related asset allocation plan for organizations with established Asset Allocations.
3. Include an analysis of the efficient frontier;
 - The combinations of securities portfolios that maximize expected return for any level of expected risk, or that minimized expected risk for any level of expected return for the recommended asset allocation and a discussion of the risk/reward spectrum for the recommendation.
4. For the investments included in the recommended portfolio, provide a current (December 31, 2020), one, three, five and ten year annual return.

5. Provide information about your performance reporting and comparisons to benchmarks in the District IPS
 - E. Insurance
 1. Provide a list of applicable insurance coverage and include relevant coverage limits.
 2. Provide the name of the primary insurance carrier and related AM Best Rating.
 - F. Research and Investment Decisions
 1. Provide internal and external research methods and resources; and
 2. Include processes for investment decision making process (committee, portfolio manager, external investment managers, etc.).
 3. What is your firm's process for "watch listing" or handling an asset that hasn't performed to expectation?
 4. If your firm employs internal analysts to research and select investments, describe the research capabilities and process utilized to identify, analyze, evaluate, and select investments for purchase/sale.
 5. Does your firm offer proprietary investment products? If yes: a) Are you financially incentivized to recommend these products versus other, non-proprietary products? b) How do you avoid potential conflicts of interest when recommending your own products?
 6. Is your investment decision-making process centralized at a company level, or do individual teams/advisors make decisions for their institutional clients?
 7. What are your firm's competitive advantages/key differentiators?
 - G. Fees
 1. Indicate all fees for services; each service should be listed separately and a total cost provided for all services;
Include a breakdown of the initial and ongoing consulting fees and the custodial and management fees as a percentage of the dollar value of the assets; and
Include the frequency in which fees will be evaluated and the amount of any expected increase(s).
In bullet/list form, indicate your firm's primary revenue sources (e.g., investment management, investment products, consulting, reporting, or financial planning).
 - H. Other Services
 1. Additional or alternative services that you are capable of providing that may be of benefit to the District; and
 2. Include your experience in providing such services.

SECTION 5: EVALUATION CRITERIA

The Investment Committee will select a firm based on evaluation of proposals in accordance with the responses received based on the criteria outlined below.

Qualified Proposals must meet the following criteria:

1. Meet all specifications within the RFP or clearly indicate where your proposal deviates.
2. Show experience advising and reporting to similar sized Governmental/non-profit organizations on the prudent management and oversight of portfolio funds.
3. The firm and all engaged personnel shall have all authorizations, permits, licenses, and certifications as may be required under federal, state or local law to perform the services specified in this RFP.

Following is the evaluation template that will be used to evaluate the respondents.

EVALUATION TEMPLATE

Category	Weight
Demonstrate successful past performance with similar-sized portfolios	17.5%
Competitiveness of fees	17.5%
Investment strategy	15%
Experience with similar institutions	15%
Quality of existing client relationships and industry references	15%
Ability to communicate effectively	10%
Reporting information	10%

The District reserves the right to be the sole judge as to the overall acceptability of any proposal, or to judge the individual merits of specific provisions within competing offers; and its decision will be final. If oral presentations are requested by the Committee, the scheduled date for presentations will be announced on the Website and Via Email to each submitter if presentations are deemed necessary.

The Marion County Hospital District will have the final authority to approve the selection of an investment management firm. The District also reserves the right to reject any and all proposals in whole or in part, to withdraw the RFP, to waive informalities in the solicitation documents, and to obtain new proposals. The RFP does not obligate the District to accept or contract for any expressed or implied services, nor does it obligate the District to pay any costs incurred by respondents in the preparation and submission of a proposal. The contract will be awarded to the firm based on, but not limited to, the evaluation criteria listed in Section 5 and other factors that may be presented in the proposal and/or interviews.