

REQUEST FOR QUALIFICATIONS (RFQ)

INVESTMENT ADVISORY SERVICES

Introduction and Overview

The City of Gahanna is seeking qualified candidates to provide professional assistance to actively manage the City's investment portfolio on a day-to-day basis and provide investment advice. Qualified applicants will be expected to have expertise and knowledge with the investment of public funds.

Gahanna is a successful suburban community in the Columbus Metropolitan Area, with a population of over 34,000 and annual average general fund revenues of \$24 Million. Gahanna has recently been recognized as one of Money Magazine's 100 Best Places to Live and Ohio Magazine's Best Hometowns. Gahanna balances a small-town feel with big-city amenities including historic attractions, high-quality restaurants and accommodations, eclectic shopping destinations and award-winning parks facilities and recreation opportunities.

The City's investment portfolio consists of approximately \$48 million in operating and capital funds (no pension funds). Gahanna has historically used a broker-dealer model for managing investments and has long-standing existing relationships with two broker-dealers, one of which currently maintains the City's investments in a delivery-versus-payment arrangement. The City expects to transition to a third-party safekeeping arrangement if/when the transition to a fee-based investment advisor model is made. The transition to a fee-based investment advisor solution is being considered in order to enhance portfolio return, properly manage risk, reduce City staff time, maintain continuity and ensure that investment decisions are made and executed in the best interest of the City.

The City anticipates issuing a contract with one or more investment advisory firms for portfolio management of the City's investment portfolio. The anticipated contract term will be three years, with the option to extend the contract for up to two additional years. Actual contract term may vary, depending upon service and project needs at the City's sole, absolute discretion. Proposers selected must be available to commence work on or before August 25, 2014.

Selection Criteria

In order to demonstrate qualifications, respondents must address the following:

Organization and Background

1. Briefly describe your organization, the year it was founded, location of its headquarters and other offices, its ownership structure, and affiliation with other companies.
2. Please describe the entire range of investment management services your firm provides to clients. Indicate which services are your firm's specialties or areas of greater expertise. Why did you choose the particular area of expertise and how is the expertise maintained and expanded?
3. Disclose all conflicts or potential conflicts of interest the firm has in serving in an investment manager relationship (e.g., relationships with custodians, investment managers, brokerage firms, the City, etc.).
4. Has the firm or any officer or principal of the organization been involved in litigation related to investment management activities, or have they otherwise been involved in a SEC investigation or litigation? If yes, provide a brief summary and indicate the current status of the proceedings.
5. List any other support services the firm provides the City (e.g., customized research projects, educational seminars, etc.).
6. Describe the firm's expertise in handling monies originating from public funds, specifically Ohio cities.
7. Describe the financial condition of your firm.

Staffing

1. Provide an organizational chart that includes all individuals employed in the investment management group. Specifically identify consultants, professional support staff, and administrative staff, along with professional designations.
2. List the personnel you propose to assign to this relationship and their responsibilities. Provide brief biographical information on each individual including their positions in the company, education, training, and years and type of experience in investment management.
3. Describe the turnover of portfolio managers and professional support staff over the past five years.

Client/References

1. Identify the types of accounts primarily sought by your firm.
2. Attach a list of three Ohio references, including at least one client similar to the City in size and scope of investment. Indicate the contact name, address and telephone number. Indicate the length of time you have provided investment services to the client and the type of services provided.

Performance Measurement and Evaluation

1. Describe the methods and sources of data used for analyzing the performance of investment managers and the portfolio. Specifically, include the monitoring of performance, risk, style, etc. Which benchmarks are most appropriate for this portfolio? Should we expect an incremental increase in return over the benchmark return?
2. How many business days after the end of a reporting period are the performance reports available? Can the reports be customized? Please provide a sample monthly client report.

Technology

1. What technological capabilities does the firm have to add value and efficiencies to the investment management process? Does the firm have a web site? If yes, please provide the web site address and a brief commentary on information typically accessible to clients.
2. Describe the top two technology initiatives/enhancements your firm will be implementing or developing in the next twelve to twenty-four months.

Investment Strategy

1. Briefly describe your firm's investment management philosophy including your approach to managing portfolios for Ohio cities.
2. What are the primary strategies for adding value to the portfolios?
3. Describe the ongoing daily investment procedures. Include procedures for trades, security selection, controls, etc., and how will you provide necessary liquidity.
4. How frequently would you suggest your staff meet with the City staff? Who will attend these meetings?

Fee

1. Outline your fee schedule that would apply to the City. Include in the fee schedule any and all applicable fees to perform investment advisory services.
2. What, if any, are the start-up costs?

Summary

1. What do you believe sets your firm's services apart from the competition and what unique value added services could you provide for the City? Please respond by using an example of how your firm assisted a similar client build a successful investment program.

Submission Instructions

Schedule for Submission and Evaluation

Every effort will be made to adhere to the following schedule.

5/5/2014	Release of Request for Qualifications
5/16/14	Questions due regarding RFQ from any respondent
5/23/14	Written responses to all questions submitted will be provided to all known respondents
5/30/14	Deadline for proposal submission
Week of 6/16/14	Finalist interviews, if needed
6/23/14	Contract recommended to City Council
8/25/14	Contract commencement

Submission

Submissions are due to the City no later than 5:00 PM Friday May 30, 2014. Submittals and questions related to proposals should be addressed to: Jennifer Teal, Director of Finance. Electronic submissions in .pdf format are preferred, and can be e-mailed to jennifer.teal@gahanna.gov. Alternatively, hard-copies can be mailed or delivered to City Hall:

Department of Finance
200 South Hamilton Road
Gahanna, Ohio 43230

All proposals become the property of the City of Gahanna and will not be returned. All costs associated with preparation and submission of proposals are the sole responsibility of the proposer.

No Pre-Award Conference

Questions regarding this RFQ, or the services requested in it, will be accepted in e-mail form only at the above address, on or before 5:00 PM Friday May 16, 2014. Responses to all questions submitted will be communicated in writing to all known respondents by Friday May 23, 2014.

Evaluation

Submissions will be evaluated based upon, but not limited to, related experience of the respondents, knowledge of the City, professional qualifications of individuals to be assigned to the project, demonstrated success with similar clients, fees and overall proposal content.

Submissions will be reviewed by the City. Oral interviews may be scheduled after the deadline submission date, and may be conducted by phone at the option of the City.