



# Coachella Valley Public Cemetery District Request for Proposals

## Investment Advisory Services

Issued: August 13, 2021

### I. BACKGROUND INFORMATION

Coachella Valley Public Cemetery District (CVPCD) currently has approximately \$14M invested in fixed income, cash alternatives and mutual funds. Approximately \$8M of this portfolio are endowment funds.

Going forward, CVPCD's objective is to maximize return on these investments with different duration investments that align with the short and long-term cash flow needs of the district. The expectation is this portfolio will have an average balance of approximately \$12 M, +/- \$2 M based on timing of revenue and expenses. Cash from interest earned and redeemed securities would be returned to the District to fund capital and operating expenses.

### II. SCOPE OF SERVICES

CVPCD is soliciting proposals from investment advisory firms for non-discretionary portfolio advisement services including, but not limited to, the following:

- Assist with cash flow/maturity analysis
- Provide credit analysis of investment instruments in the portfolio
- Coordinate with the custodian on buy/sell transactions and reporting
- Provide monthly reporting on portfolio holdings, transactions, and performance
- Conduct monthly portfolio status conferences with District staff
- Evaluate market risk and develop strategies that minimize impact on the portfolio
- Provide assurance of portfolio compliance with applicable policies and laws
- Provide advice on an appropriate performance benchmark
- Review investment policy (attached) and recommend appropriate amendments

Investment practices and procedures must comply with state law and the CVPCD written Investment Policy. The investment advisory firm will be expected to perform to the Prudent Expert Standard.

### III. SELECTION CRITERIA

The District's Investment Committee will independently interview and select an Investment Advisor based on consideration of the following factors:

- Understanding of the overall investment program and the investment objectives and constraints unique to CVPCD
- Experience managing small- to mid-sized government portfolios. In evaluating the firm's experience, past performance data will be evaluated in the context of portfolio objectives, constraints, and risks
- Experience, resources, and qualifications of the firm and the individuals assigned to this account
- Recommended approach to the management of the CVPCD portfolio
- Fees, relative to services provided

Award may not be made to the respondent submitting the lowest priced proposal. CVPCD will choose the firm submitting the best and most responsive overall proposal to satisfy its needs.

A CVPCD evaluation team will evaluate the RFP responses received from each vendor. Prior to the selection of the award to the apparent successful vendor, the CVPCD reserves the right to conduct on-site visits of any vendors' facilities and/or require any vendor to participate in a presentation to the evaluation team and/or the CVPCD Board of the items contained in the RFP response and any other items deemed appropriate by the CVPCD.

If an award is made as a result of this RFP, it shall be awarded to the vendor whose proposal will lead to the best service for the CVPCD with the quality of work, professionalism, price and other factors including, but not limited to: demonstrated technical ability and expertise; reference calls and/or recommendations; licenses, ISO Certifications or any other applicable membership or certifications; presentations to the CVPCD (if applicable); on-site visits at vendor's site (if applicable); product; any additional criteria deemed appropriate by the CVPCD which would lend itself to establishing the service provider's viability to perform the work as outlined in this RFP.

When determining whether a vendor is responsible, or when evaluating a vendor's response, the following factors will be considered, any one of which will suffice to determine whether a potential vendor is a responsible vendor or if the vendor's proposal is the most advantageous to the CVPCD:

1. The ability and skill of the vendor to perform/provide the service required.
2. The character, integrity, reputation, judgment, experience, and efficiency of the vendor.
3. The quality of performance of previous public and private contracts or services, including, but not limited to, the vendor's ability to perform satisfactorily and complete items specified in the contract agreements.
4. The previous and existing compliance by the vendor with laws relating to the contractor services.

5. Evidence of collusion with any other vendor, in which case colluding vendors will be restricted from submitting further bids on the subject project or future tenders.
6. The vendor is not qualified for the work or to the full extent of the RFP.
7. There is uncompleted work with the CVPCD or others, or an outstanding dispute on a previous or current contract that might hinder, negatively affect, or prevent the prompt completion of the work bid upon.
8. Such other information as may be secured having a bearing on the decision to award the contract.
9. Any other reason deemed proper by the CVPCD.

**Good Faith**

This RFP has been compiled in good faith. The information contained within is selective and subject to the CVPCD's updating, expansion, revision, and amendment.

**Right to Cancel**

The CVPCD reserves the right to change any aspect of, terminate, or delay this RFP, the RFP process and/or the program, which is outlined within this RFP at any time.

**Not an Award**

Recipients of this RFP are advised that nothing stated herein, or any part thereof, or any communication during the evaluation and selection process, shall be construed as constituting, offering, or awarding a contract.

**Property of the CVPCD**

Responses to this RFP will become the property of the CVPCD and will form the basis of negotiations of an agreement between the CVPCD and the apparent successful vendor. Proposals are subject to the California Public Records Act and may be provided to anyone properly requesting same, after contract award. Proprietary or confidential information must be clearly indicated with submitted proposals.

**CVPCD not Liable for Costs**

The CVPCD is not liable and will not be responsible for any costs incurred by any vendor(s) for the preparation and delivery of the RFP responses, nor will the CVPCD be liable for any costs incurred prior to the execution of an agreement, including but not limited to, presentations by RFP finalists to the CVPCD.

**CVPCD's Expectations**

During the review of this document, please note the CVPCD's emphasis on the expectations, qualities, and requirements necessary to be positioned as an RFP finalist and successful vendor.

**Proposal Rejection; No Obligation to Buy**

The CVPCD reserves the right to reject any or all proposals at any time without penalty. The CVPCD reserves the right to refrain from contracting with any vendor. The release of this RFP does not

compel the CVPCD to make an award. The CVPCD may elect to proceed further with this project by interviewing firm(s) well-suited to this project, conducting site visits, or proceeding with an award.

### **Right to Award**

The CVPCD reserves the right to make an award without further discussion of the proposal submitted. Therefore, the proposal should be submitted initially with the most favorable terms the vendor can offer.

### **Non-Endorsement**

As a result of the selection of a vendor to supply products and/or services the CVPCD is neither endorsing nor suggesting that the vendor's product is the best or only solution. The vendor agrees to make no reference to the CVPCD in any literature, promotional material, brochures, sales presentation, or the like without the express written consent of the CVPCD.

### **Errors in Proposal**

The CVPCD will not be liable for any errors in vendor proposals. Vendors will not be allowed to alter proposal documents after the deadline for proposal submission. The CVPCD reserves the right to make corrections or amendments due to errors identified in proposals by the CVPCD or the vendor. This type of correction or amendment will only be allowed for such errors as typing, transposition, or any other obvious error. Vendors are liable for all errors or omissions contained in their proposals.

### **Scoring the Submissions**

Each submission will be judged according to a fixed set of criteria. The criteria are:

- **30%** on the approach of the proposal, including the ability to meet the requirements of the RFP
- **30%** on the experience level and references of the contractor
- **40%** on the total cost of the proposal

The District reserves the right to negotiate material aspects of proposals received, including costs, services and scheduling, when determined to be in the best overall interest of the District.

## **IV. DESCRIPTION OF ORGANIZATION**

The Coachella Valley Public Cemetery District was formed August 8, 1927, under Section 8890 of the California Health and Safety Code. District boundaries enclose approximately 3,444 square miles. The district since that time has performed over 21,000 interments/burials and has set over 18,000 headstones/grave markers. The Coachella Valley Cemetery is one of over 265 public cemetery districts in California which are supported, in part, by property taxes and one of many types of special districts in California.

The cemetery estimates that the facility will meet the need of the public for at least fifty years. The total district property consists of sixty acres, twenty-nine of the sixty have been developed for interment purposes.

A small portion of the property tax revenue that is collected from taxpayers within the district is part of the revenue the cemetery relies on for the annual budget. Individuals who do not reside in the district do not pay property taxes in the district are required by law to pay a surcharge to the district for interment in the cemetery.

Cemetery Districts are not actually a department of any City or County government. Although Counties, for a fee do collect property taxes and deposit them to district accounts. Cemetery Districts are governed by a Board of Directors consisting of three to five Trustees. Trustees are usually appointed for at least one four-year term. Laws for the operation of public cemeteries are contained in the California Health and Safety Code. Private cemeteries such as Forest Lawn and Rose Hills come under the jurisdiction of the State Cemetery Board. The Board of Trustees meet once a month for regular business meetings. Laws and rules for these meetings and others are contained in the Brown Act.

## **V. SELECTION PROCESS SCHEDULE**

Every attempt will be made to adhere to the schedule below:

Request for Proposal released:	August 13, 2021
Questions regarding RFP due:	August 27, 2021
Written responses to questions provided:	September 1, 2021
Responses to RFP due:	September 10, 2021
Award of contract:	October 1, 2021
Contract commencement:	As soon as possible

## **VI. SUBMISSION INSTRUCTIONS**

### **1. Proposal Format**

In order to equitably evaluate each response, a standard format for all proposals is required. A response must be given to each item in Section VII of this RFP. Responses must be in the same order as the questions presented. When applicable, state the acceptance of, modifications or additions to, or inability to provide the services listed in the RFP. Only proposals submitted in the prescribed format will be considered and evaluated for contract. Additional explanatory information may be included as part of a proposal.

### **2. Proposal Submission**

The completed proposal must be delivered on or before 5:00 pm (PST) on September 10, 2021. Any proposal received by the District after the deadline will not be considered.

As part of your submission, an accompanying cover letter must be signed by an individual authorized to bind the firm, certify that all information is accurate, state that the proposal is valid for 90 days from the submission date, and give full contact information regarding the proposal.

Please submit an electronic copy to [matthew.mccue@cvpcd.org](mailto:matthew.mccue@cvpcd.org) no later than 5:00 (PST) September 10, 2021.

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

### **3. Contact for Questions**

Upon release of this RFP, all questions concerning this RFP must be submitted in writing to Matt McCue [matthew.mccue@cvpcd.org](mailto:matthew.mccue@cvpcd.org) by August 27, 2021 at 5:00 pm PST. Unauthorized contact regarding this RFP may result in disqualification. CVPCD responses to all submitted questions will be provided via email by September 1, 2021.

### **4. Reservation of Rights**

CVPCD reserves the right to:

- Waive any defect, irregularity or informality in the proposal or proposal procedures
- Accept or reject any proposal or portion thereof in whole or in part
- Request additional information or require a meeting with firm representatives for clarification
- Cancel, revise, and/or reissue this request for proposal
- Negotiate with respondents
- Modify deadlines

## **VII. REQUEST FOR PROPOSAL**

Format your responses to each question in Sections A through H below in the order given in order to facilitate comparisons between respondents.

### **A. FIRM BACKGROUND AND ORGANIZATION**

1. Describe your firm (e.g., date founded, ownership, organizational structure, etc.). Provide the same information for any subsidiaries or affiliates that would be relevant to CVPCD.
2. List all business affiliations (e.g., subsidiaries, joint ventures, “soft dollar” arrangements with brokers, etc.). Will you pay a finder’s fee to any third party for business related to this account?
3. Describe the firm’s sources of revenue, categorized by retail and institutional accounts.
4. Is your firm a registered investment advisor under the Investment Advisor’s Act of 1940, as amended?
5. Describe any SEC, NASD, or regulatory censure or litigation involving your firm or its employees

within the past three years.

6. Describe your firm's research capabilities and resources. Are outside sources used by the firm on a regular basis?
7. Describe your firm's credit review process.
8. Outline the errors and omissions (professional liability) insurance and the fidelity bond coverage your firm carries. Provide a valid, current Certificate of Insurance.
9. Identify the types of accounts primarily sought by your firm.
10. What is your firm's business continuity/disaster recovery plan? How often is it updated?

#### **B. EXPERIENCE**

1. Describe your firm's experience managing fixed income portfolios for public funds and governmental entities.
2. What is your firm's experience developing policies and portfolio management strategies for government portfolios?
3. 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 fees paid by clients?
4. Provide the number and types of accounts, total asset value, and composition of portfolios currently being managed by your firm.

#### **C. PERSONNEL**

1. Identify the investment professionals (portfolio managers, analysts, and researchers) employed by your firm, by classification, and specify the average number of accounts handled by portfolio managers.
2. Identify the key investment professionals that would be directly involved in advising the District on its portfolio and provide their credentials. Include the number of years at your firm, total years of experience, and professional licenses and designations. Include the number of accounts managed and any limits on this.
3. How does your firm keep portfolio advisors informed of developments relevant to government investment advisors?
4. Has there been any turnover of professional staff assigned to public sector clients in the last three years? If so, please explain.

#### **D. ASSETS UNDER MANAGEMENT**

1. Summarize your institutional investment assets under management by category for your latest reporting period.
2. Summarize your assets under management (institutional only) over the past five years and average assets per client.
3. How many accounts have you gained in the last 12 months? How many accounts have been lost in the last 12 months and why?

#### **E. INVESTMENT MANAGEMENT APPROACH AND DISCIPLINE**

1. Briefly describe your firm's investment philosophy, including your approach to managing governmental portfolios.
2. How frequently do you formulate and review fixed income strategy? How is that carried out and who is involved?
3. Describe the oversight provided to investment advisors.
4. On a daily/weekly/monthly basis, what activities would an investment advisor from your firm perform relative to CVPCD's portfolio?
5. How frequently would you suggest your staff meet (by phone or in person) with CVPCD? Who would attend these meetings?

#### **F. REPORTING**

1. Describe the investment accounting and reporting system used by your firm.
2. Describe the frequency and format of reports that you would provide to CVPCD. Attach samples.
3. What performance benchmarks would you suggest for this portfolio? Provide recommendations regarding performance benchmarks for a portfolio similar to that of CVPCD. What experience does the firm have in developing benchmarks for public operating portfolios?

#### **G. FEES**

1. Provide the complete fee schedule that would apply to this account. Are fees charged in arrears?
2. What additional expenses not covered through the fee structure will be expected in order to implement your investment advisory services?

#### **H. ADDITIONAL INFORMATION**

1. Provide a list of three client references, including contact information, for which your firm manages fixed income portfolios for government agencies of a similar size to CVPCD.



2. Briefly describe any additional features, attributes, or conditions which CVPCD should consider in selecting your firm. Describe any other services your firm can provide.