



## **REQUEST FOR PROPOSAL**

**Responses should be sent to the following Dropbox link [HERE](#)**

**by October 18, 2021**

## **I. INTRODUCTION**

The Pasadena Area Community College District is comprised of the communities represented by the following school districts: Arcadia, a portion of El Monte, La Cañada Flintridge, Pasadena, Rosemead, San Marino, South Pasadena and Temple City. It is governed by an elected seven-member Board of Trustees representing the seven trustee areas and a Student Trustee elected by the student body. The Superintendent/President of the College is the Chief Administrative Officer of the District.

## **II. COLLEGE HISTORY**

Pasadena City College, founded in 1924 as Pasadena Junior College and now known as Pasadena City College (PCC), was one of the earliest junior colleges in the southwest United States. Its faculty, graduates and former students numbering more than 1 million, have contributed greatly to business, education, industry, the professions, and most other aspects of American society. The talented efforts of its trustees, presidents, faculty and staff have made, and continue to make, PCC an extraordinary institution.

The College is a nationally recognized institution, having been named as one of the Top Ten Community Colleges in the country by the Aspen Institute for a third time. PCC ranks number one in California for transfer students. It most recently was awarded the James Rice Award by the Office of the Chancellor for the California Community Colleges. McKenzie Scott, American Philanthropist, identified Pasadena City College as one of the recipients of her most recent philanthropic giving saying “Higher Education is a proven pathway to opportunity, so we looked for 2- and 4-year institutions successfully educating students who come from communities that have been chronically underserved... We chose to make relatively large gifts to the organizations, both to enable their work, and as a signal of trust and encouragement, to them and to others.”

## **III. FOUNDATION HISTORY**

The Pasadena City College Foundation (“Foundation”) was incorporated in 1979 as a non-profit, charitable, public benefit corporation. Established by a group of individuals from the college and community, and partially funded by a grant from the Ahmanson Foundation, the Foundation was formed to raise private funds to maintain a high level of excellence at a time of decline of public funding.

The Foundation is governed by a thirty-three-member Board of Directors who are civic and business leaders from the community, elected for three-year terms. Funds raised by the Foundation include donations from individuals, corporations and foundations. Some of the areas that benefit from funds raised by the Foundation include major capital projects, equipment to ensure technological excellence, programs which provide special services to the students and the community, faculty and program grants, and student scholarships.

The Foundation operates within the statutes governing educational auxiliary organizations and complies with the Brown Act requirements.

The Foundation recently successfully completed its first comprehensive major gifts campaign raising over \$16 million, exceeding its goal of \$10 million. It is now engaged in a targeted “Advancing Science” campaign for fixtures, furniture and equipment for the replacement of the college’s Sarafian building. The Keck Foundation contributed a \$1 million lead gift to the campaign.

Most recently, the college was identified as one of the “286 Teams empowering Voices the World Needs to Hear” and receive a transformational gift of \$30 million from McKenzie Scott. The college is entrusting these funds with the Foundation.

#### **IV. FOUNDATION MISSION AND VISION**

The mission of the Pasadena City College Foundation is to develop funding and community support for the enhancement of teaching and learning at Pasadena City College.

The vision of the PCC Foundation is that innovation and student success shall always be encouraged by adequate financial support.

#### **V. REQUESTED SERVICES**

The Foundation desires to contract for Investment Management Consulting Services. The Investment Management Consultant will be required to oversee management of the funds in accordance with the laws of the State of California and adhere to the Investment Policy approved by the Board of Directors of the Foundation. The size of the Foundation’s projected investment portfolio is approximately \$66 million. The services to be performed are as follows:

- A. Assessment of Foundation investment requirements to include investment objectives, spending or asset to liability policies, time requirements and risk tolerance, liquidity needs, and targeted surpluses and reserves.
- B. Possible guidance in the future in the development of the Foundation Investment Policy and Guidelines to include statement of purpose, definition of roles and responsibilities, establish investment objectives and goals, develop asset allocation, establish investment guidelines and portfolio limitations, and define process for performance monitoring and rebalancing.
- C. Design an Asset Allocation model based on historic analysis and projected future trends. Provide discretionary active management of the Foundation’s portfolio.
- D. On a regular basis, monitor portfolio progress of investment portfolios and provide performance reports to Board.
- E. Continuously review the investment strategy and make recommendations to

adjust portfolio based on changes in market conditions and other relevant factors and/or propose revisions to investment policy.

- F. Act as a Fiduciary responsible for oversight of performance and risk in line with the Foundation's requirements.

## **VI. RESPONSE PROCEDURE AND FOUNDATION RIGHTS**

Any and all responses to this RFP must be sent electronically through [this Dropbox link](#) by October 18, 2021. Any response package received after the submission deadline shall not be considered.

Issuance of this RFP does not constitute an award commitment on the part of the Foundation, and the Foundation shall not pay for costs incurred in the preparation or submission of responses.

The Foundation, at its sole discretion, may reject any or all response packages submitted in response to this solicitation. The Foundation shall not be liable for any cost incurred by a responder in connection with preparation and submittal of any response.

The Foundation reserves the right to cancel this RFP, in whole or in part, without selection of any response. The Foundation shall not be liable for any claim of loss, damage, expense, costs or fees incurred or suffered by any person or entity responding hereto.

## **VII. NOTICES TO PROPOSERS REGARDING THE PUBLIC RECORDS ACT**

Responses to this solicitation shall become the exclusive property of the Foundation. All responses will be treated as confidential until the selection process is completed and a contract signed. After that, all responses will become public records.

In the event that a responder desires to claim portions of its response are exempt from disclosure, it is incumbent upon the responder to clearly identify those portions with the exception of those parts of each response which are justifiably defined by the responder and plainly marked as "Trade Secret," "Confidential," or "Proprietary." **A blanket statement of confidentiality or the marking of each page of the response as confidential shall not be deemed sufficient notice of exception.**

Pasadena Area Community College District, Pasadena City College and the Foundation shall not, in any way, be liable or responsible for the disclosure of any such record or any parts thereof, if disclosure is required or permitted under the California Public Records Act or otherwise by law.

## **VIII. REQUIREMENTS OF THE RFP OF YOUR FIRM**

The following items should be specifically addressed in the response submitted:

### **A. Firm information**

1. Firm history
2. Firm organization (ownership, location of headquarters, number of offices, number of investment-related staff, related organizations)
3. Is your firm a Registered Investment Advisor or Broker Dealer? If no, what regulatory oversight are you subject to? Are you willing to assume a fiduciary role in your services as the investment management consultant, acting solely in the best interest of PCC Foundation?
4. Do your clients receive unique access to managers or preferred institutional pricing with third party managers?
5. Describe your primary products and services.
6. Description of client base (defined by number of clients, industry and size of portfolio)
7. Assets under management
8. Relative to the scope of services, what key strengths or competitive advantages does your firm possess? What are your disadvantages?
9. Describe policies in place to identify, manage and disclose conflicts of interest and maintain overall compliance with policies.
10. Discussion of any past or present litigation or regulatory actions against your firm.
11. Describe your firm's incorporation of ESG considerations (if applicable and related resources, tools, etc.
12. Where do you custody your assets (which firm)?
13. Discuss your firm's history with and commitment to diversity and inclusion.

**B. Personnel and Firm Qualifications**

1. Qualifications and credentials of principals and professional staff (Please specify those individuals who will be directly responsible for this account)
2. Number of years of experience in investment management
3. Discussion of your customer service philosophy
4. Overview of the roles and responsibilities of key senior staff and the professionals that will be involved with our relationship
5. Depth of resources and number of personnel dedicated to third party investment manager research
6. Resources available for investment committee and Board education

**C. Relevant experience with other similar not-for-profit organizations**

1. List of your not-for-profit clients, include public and private foundations
2. How would PCC Foundation be prioritized for servicing based on its size?

**D. Investment strategy and recommended asset allocation**

1. Investment philosophy and operational due diligence process
2. Process you will use for investment policies, objectives, and guidelines for Foundation portfolio. How would you involve the Foundation Finance committee in this process?
3. Research methods and resources (external and internal)
4. Process for continually reviewing investment policy, asset allocation and portfolio structure
5. Risk control process, including functions performed to ensure appropriate levels of risk are being assumed. What risk management tools and resources do you use?
6. Please provide a proposal for recommended asset allocation based on our IPS including specific investments that would be used. (include discussion of the risk/reward spectrum for your recommendation). What type of investments would you use (individual stocks/bonds, mutual funds, ETFs, Alternatives)? Would you use proprietary or non-proprietary investments?

7. What are your capital market assumptions for one, three, five and ten years? What rate of return would you project for the recommended portfolio for one, three, five, and ten years based on your projections?
8. Discussion of appropriate benchmarks and rationale for recommendations of changes to the investment policy
9. What types of investments do you use? (e.g., individual stocks/bond, ETFs, Funds, Alternatives)?

**E. Reporting, portfolio evaluation and review of accounts**

1. Frequency of reporting to clients (e.g.: monthly, quarterly)
2. Form of your reports (please provide sample)
3. Frequency of portfolio evaluation
4. Compliance with applicable reporting standards, including CFA Institute
5. Frequency of account review by your firm and willingness to meet with management to make recommendations and discuss performance
6. Timing of report after the end of a reporting period
7. Would reporting and communication take place in-person or virtually?

**F. Insurance**

1. Provide a listing of applicable insurance coverage maintained with relevant coverage limits
2. Provide the name of your primary insurance carrier and their related AM Best rating

**G. Fees**

Please include a copy of your firm's fee schedule. Indicate all fees involved for each of the services you are proposing to provide

1. Include a breakout of the initial and ongoing consulting fees and the custodial and management fees as a percentage of the dollar value of the assets
2. Is there a minimum annual fee?
3. Are fees charged when there is no activity in the account?
4. Discuss the frequency in which such fees will be evaluated and the maximum amount of any increase to be expected

#### **H. Other Services**

1. Please describe any alternative or additional services that you are capable of providing that may be of benefit to the Foundation
2. Discuss your experience in rendering such services
3. To what extent can your firm provide expertise and support with Investment Policy Statement reviews/updates and Spending/Withdrawal Rate deliberations?

#### **I. References**

Please provide three client references, including length of time managing their assets, client name, address, phone number, and email (clients most similar to Foundation in type and size of business and similar services requested are recommended)

### **IX. SELECTION PROCESS AND TIMING**

The Foundation will review all timely proposals based on the criteria outlined above. Those firms whose responses are selected for further consideration will be asked to make a personal presentation and/or answer questions in advance of final selection.

The Foundation plans to make its selection by no later than December 21, 2021. Upon selection of a firm, a contract between the Foundation and the firm will be developed and executed by the parties which shall govern the parties' contractual relationship. Nothing contained herein shall modify such contract nor prevent termination of such contract as may be provided by the terms thereof nor serve as a defense to any claim or cause of action resulting from breach of contract or negligence or malfeasance by the firm selected. Submission of a response to this Request for Proposal constitutes the responder's representation and warranty that if selected, it is prepared to proceed promptly to finalize such contract and begin work promptly thereafter with the understanding that failure to do so may result in the Foundation selecting another firm.



**X. CONTACT INFORMATION AND DEADLINES**

All questions should be submitted by September 21, 2021. Questions should be directed to [pccfoundation@pasadena.edu](mailto:pccfoundation@pasadena.edu). Please type “RFP Question” in the subject line of your e-mail.

All questions and responses will be posted on the [www.pasadena.edu](http://www.pasadena.edu) website on October 1, 2021

Final proposals should be submitted by October 18, 2021 [HERE](#). Please type “RFP Proposal” in the subject line.

Bobbi Abram  
Executive Director  
Pasadena City College Foundation