



**Request for Proposals**  
**to provide**  
**Investment Management Services**

RFP Issue Date: April 10, 2017

Proposals Due: 3:00 PM CST April 24, 2017

## **INTRODUCTION**

The North East Texas Regional Mobility Authority (the “NET RMA”), a regional mobility authority and political subdivision of the State of Texas governed by the provisions of Texas Transportation Code, Chapter 370 (the “RMA Act”), is requesting proposals from qualified firms interested in providing investment management services for the NET RMA.

The NET RMA was established as a regional mobility authority in Texas on October 28, 2004 by the Texas Transportation Commission. The NET RMA is granted powers under state law to develop “transportation projects”, as defined in the RMA Act, including the authority to study, design, construct, operate, expand, enlarge, and extend a turnpike project within the jurisdictional limits of the NET RMA (currently Smith, Gregg, Cherokee, Rusk, Harrison, Bowie, Wood, Panola, Titus, Van Zandt, Upshur, and Kaufman Counties). The NET RMA acts through its Board of Directors.

Certain information is necessary to evaluate each interested firm's ability to provide the desired services. As a result, interested firms are asked to submit a response setting forth their qualifications for the anticipated work, and may, at the NET RMA’s sole option, be asked to make an oral presentation. The anticipated work is described herein and shall sometimes be referred to as the “services” in the context of this Request for Proposals (the “RFP”).

## **SCOPE OF SERVICES**

The investment management services to be provided shall include, but are not limited to, the following:

- Assist the NET RMA in the annual review of the NET RMA’s Investment Policy, a current copy of which can be accessed at [www.netrma.org](http://www.netrma.org).
- Facilitate the oversight and implementation of investment transactions.
- Exercise discretion in the day-to-day management of the NET RMA’s investment portfolio with appropriate coordination with and reporting to NET RMA staff.
- Inform the NET RMA of all market risks and opportunities including potential buy/sell transactions.
- Advise the NET RMA of potential investment strategies.
- Examine the appropriateness of the NET RMA’s current investment strategy, assess investment performance, and review investment performance as compared to appropriate investment benchmarks.
- Upon request, attend NET RMA Investment Committee meetings and/or NET RMA Board of Directors meetings.
- Advise the NET RMA of potential investment products including but not limited to securities lending services.
- Provide general investment consulting services as requested by the NET RMA.

## **MINIMUM QUALIFICATIONS**

Minimum qualifications required of a proposing firm: All firms submitting proposals must at a minimum:

- provide evidence of firm stability and financial strength;

- be an investment advisor registered with the Securities Exchange Commission under the Investment Advisors Act of 1940;
- act as a fiduciary with respect to work performed and with respect to any specific recommendations made for the NET RMA;
- be currently providing investment management services to at least three (3) institutional or governmental clients with a minimum portfolio balance of \$200 million;
- have all authorizations, permits, licenses, and certifications as required under federal, state or local law to perform the services specified.

Minimum qualifications for lead investment professionals: The lead investment professionals assigned to the NET RMA account must:

- have a minimum of three (3) years with the firm;
- have a minimum of five (5) years experience providing investment management services to clients with at least \$200 million in assets, and prefer institutional or governmental entity client experience; and
- have a minimum of ten (10) years relevant investment experience, the majority of which must be in investment management.

## **RESPONSE CONTENT**

Responses to the items that follow will be used by the Selection Committee (as defined below) to evaluate the proposals to provide investment management services. Each item should be specifically addressed. Utilization of existing brochures, pamphlets, and information items is an acceptable form of response to an item only if such material specifically addresses the item and does not require interpretation or evaluation to form a conclusion. Failure to respond to each item and failure to submit all attachments may result in a proposal being deemed non-responsive and not eligible for further consideration.

- Name, address, telephone number, fax number, e-mail address, and title of the firm's principal contact for purposes of this RFP to whom questions or requests for additional information should be directed.
- A brief description of the firm and its history.
- A description of the firm's Texas offices, including a summary of resources that would be assigned to the NET RMA.
- Provide the names of the executive staff responsible for making immediate and important decisions concerning the NET RMA account and their availability.
- Provide a brief description of the firm's capital structure to include total capital, equity, net capital and excess capital. Explain material changes that have occurred within the firm over the last three (3) calendar years regarding staffing, capital, and organizational structure, as well as planned future changes related to mergers, acquisitions, or changes in ownership. Provide a copy of the firm's most recent audited financial statements.
- Provide a fee schedule for providing investment management services, and any other costs which might be incurred during the contract term.

- Provide a complete description of the services the firm would provide for each of the NET RMA's investment needs listed in the above Scope of Services description and explain how those services will be provided. Include any ideas and suggestions for changes or modifications that could be implemented to make the NET RMA's investment portfolio more effective and efficient.
- Provide a list of three (3) comparable current clients as references, including name, contact, telephone number, asset values, number of years the client has retained the firm, and the product(s) or services the client uses.
- Please describe any inquiries or investigations of the firm or employees of the firm by a local, state or federal regulatory body or organization within the last ten (10) years and whether the issue is resolved or not. Also describe any litigation involving the firm or employees of the firm within the last ten (10) years.
- Identify any litigation or other disputes with a governmental client regarding the provision of investment management or investment advising services which has occurred within the past five (5) years. If the dispute involved litigation, provide details concerning the litigation, including cause number and court where the case is/was assigned. For non-litigation disputes, provide a summary of the manner in which the dispute was resolved.
- Provide any other information that the firm may deem applicable to the investment management services that the NET RMA may utilize but has not been directly requested in this RFP.

### **REQUIREMENTS AND DEADLINES**

This RFP seeks information that will enable the NET RMA to properly evaluate the abilities of responding firms. Limit your firm's response to not more than thirty (30) pages, and respond directly to issues set forth in the preceding Section (Response Content).

Questions concerning the RFP must be directed (via email or in writing) to:

North East Texas Regional Mobility Authority  
 909 ESE Loop 323, Ste 520  
 Tyler, Texas 75701  
 Attn: Executive Director  
 Email: chris.miller@netrma.org

Questions must be received by 3:00 p.m., C.S.T. on April 17, 2017. Responses to questions posed may will be posted on the NET RMA website. Interested parties are responsible for monitoring the NET RMA website for information, updates, or announcements regarding this RFP.

Responses to the RFP should be delivered by 3:00 PM C.S.T. on April 24, 2017 as follows:

7 copies (and 1 additional electronic copy on a USB thumb drive) to:

North East Texas Regional Mobility Authority  
 909 ESE Loop 323, Ste 520  
 Tyler, Texas 75701  
 Attn: Executive Director

One copy of the response shall be marked original and bear all original signatures. The other six (6) may be copies.

**EVALUATION AND SELECTION**

Responses will be reviewed by a Selection Committee designated by the Executive Director of the NET RMA. The Selection Committee will evaluate the responses to this RFP and may make a recommendation to the NET RMA Board of Directors as to the firm best qualified to serve the NET RMA. The final selection, if any, will be made by the NET RMA Board of Directors, and the Board will not be bound by the recommendation of the Selection Committee. Either (or both) the Selection Committee and the NET RMA Board of Directors may request oral presentations. The following will be the scoring criteria used by the Selection Committee to evaluate each proposal:

<b>Business and Organizational Strength</b>	<b>30%</b>
<b>Investment Management Experience</b>	<b>40%</b>
<b>Proposed Approach to Services</b>	<b>15%</b>
<b>Fee Proposal</b>	<b>15%</b>

**MISCELLANEOUS**

- **Term.** The NET RMA seeks to secure a contract for up to five (5) years with an initial term of three (3) years and an option to renew for up to two (2) additional years.
- **Public Information Act.** All responses to this RFP shall be deemed, once submitted, to be the property of the NET RMA. Responses may be subject to public disclosure under the Texas Public Information Act (“PIA”). Any material believed by the proposer to be proprietary, confidential, or otherwise exempt from disclosure under the PIA should be clearly marked as such. If the NET RMA receives a request for public disclosure of all or any portion of a response, the NET RMA will use reasonable efforts to notify the proposer of the request and give the proposer an opportunity to assert, in writing to the Office of the Attorney General, a claimed exception under the PIA or other applicable law within the time period allowed under the PIA.
- **Cost of Responses.** All costs directly or indirectly related to preparation of a response to this RFP and in any oral presentation required to supplement and/or clarify the RFP shall be the sole responsibility of, and shall be borne by, the responding firm.
- **Proposer’s Acknowledgment.** By submitting a response to this RFP, each proposer unequivocally acknowledges that the proposer has read and fully understands this RFP, and that the proposer has asked questions and received satisfactory answers from the NET RMA regarding any provisions of this RFP with regard to which the proposer desired clarification.

All written and electronic correspondence, printed material, exhibits, appendices, photographs, and reports submitted in response to all sections of this RFP process are, upon their receipt by the NET RMA, the property of the NET RMA and may not be returned.

- Anti-Lobbying Prohibition. During the pendency of this procurement, prospective respondents may not contact the NET RMA Board of Directors nor, except as provided herein, any NET RMA staff or consultants concerning this procurement. All contact with the NET RMA is to be through the NET RMA contact designated in the Section (Requirements and Deadlines) above. Any firm violating the anti-lobbying prohibition through the actions of a representative or others acting on its behalf may be disqualified from consideration in this procurement.