

# **REQUEST FOR PROPOSALS**

## **For Investment Advisory Services**

For the

North Metro Fire Rescue District “Old Hire” Defined Benefit Plan  
Broomfield, CO  
January 25, 2021- updated February 5, 2021



**NORTH METRO FIRE RESCUE DISTRICT  
101 SPADER WAY  
BROOMFIELD, CO 80020  
303-452-9910**

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**North Metro Fire Rescue District “Old Hire” Defined Benefit Plan**  
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The Board of Trustees (“Board”) of the North Metro Fire Rescue District “Old Hire” Defined Benefit Plan (“Plan”) is seeking proposals from qualified institutions or firms (“Service Provider(s)”) for investment advisory services (“Proposal(s)”).

**I. BACKGROUND**

The Plan sponsor is the North Metro Fire Rescue District, a political subdivision of the State of Colorado (“District”). The District protects its citizens and their property as an all-hazard emergency response agency, providing fire suppression, emergency medical services, patient transportation, hazardous materials response, technical rescues and wildland firefighting. In addition to responding to emergencies, the District proactively works with residents and businesses to build a safer community through education, outreach and prevention. The District operates seven active fire stations that cover 60 square miles and provides emergency services to approximately 123,000 residents, including the City and County of Broomfield, the City of Northglenn and unincorporated areas of Boulder, Adams, Weld and Jefferson Counties. The District maintains a constant response capability of six engines, two ladder trucks, five ambulances and several specialized rescue, hazardous material and support vehicles. The District has 162 full-time employees, including 128 emergency responders. The District is governed by an elected five member Board of Directors. All of the Directors are residents of the District. For more information about the District, please visit the District’s website: [www.northmetrofire.org](http://www.northmetrofire.org).

The District’s Board of Directors established the Plan to provide certain pension benefits to its emergency response personnel who were hired prior to April 8, 1978 and who elected not to switch to the Statewide Defined Benefit Plan, which is administered by the Fire and Police Pension Association of Colorado (FPPA). Currently, there are ten retired members who receive pension benefits. An actuarial valuation is performed every two years to determine the pension benefit obligation. The Plan has approximately \$3 million that is available for investment in accordance with applicable laws.

**II. SUBMISSION DEADLINE, QUESTION DEADLINE  
AND EVALUATION PROCESS**

**Proposals must be submitted by mail to the District’s Headquarters located at 101 Spader Way, Broomfield, Colorado 80020 or e-mail to [lwillis@northmetrofire.org](mailto:lwillis@northmetrofire.org). Proposals must be received at District Headquarters prior to 4:00 p.m. (MST) on Friday, February 26, 2021 (“Submission Deadline”). A proposal received after the Submission Deadline will not be considered. A prospective Service Provider that submits a Proposal by email is responsible for contacting Lisa Willis, Chief Financial Officer (“CFO Willis”) at (303) 252-3006 to confirm her receipt of the Proposal prior to the Submission Deadline.**

**All questions regarding this Request for Proposals (“RFP”) must be in writing and faxed (303-451-0289) or emailed ([lwillis@northmetrofire.org](mailto:lwillis@northmetrofire.org)) to CFO Willis prior to 9 a.m. (MST) on Friday, February 12, 2021 (“Question Deadline”). Questions submitted after the Question Deadline will not be considered or responded to. Based upon the questions**

**REQUEST FOR PROPOSALS**  
**North Metro Fire Rescue District “Old Hire” Defined Benefit Plan**  
**Investment Advisory Services**

---

**received prior to the Question Deadline, the Board, in its sole discretion, may choose to issue one or more Addendums to this RFP.**

A copy of this RFP, the Plan, including all amendments, and a Cash Flow Forecast from January 2020 – December 2025 may be obtained from:

- a. The District’s Website at [www.northmetrofire.org](http://www.northmetrofire.org); or
- b. The District’s Headquarters located at 101 Spader Way, Broomfield, CO 80020.

The Board has no express or implied obligation to reimburse any prospective Service Provider, or any other person or entity, for any expense incurred in preparing or submitting a Proposal in response to this RFP.

During the evaluation process, the Board has the right, where it may serve the best interests of the Plan and its beneficiaries, to request additional information or clarifications from one or more of the prospective Service Providers, or to allow corrections of errors or omissions. At the Board’s discretion, prospective Service Providers may be requested to make oral presentations as part of the evaluation process. You will be notified on February 26 if your firm has been chosen for the oral presentation step. We plan to hold the oral presentations over Zoom on March 3 and 4 between 1pm and 5pm.

The Board has the right to retain all Proposals submitted and to use any ideas in a Proposal regardless of whether that Proposal is selected. Proposals are considered public records within the meaning of the Colorado Public (Open) Records Act, C.R.S. 24-72-101, *et seq.* If a prospective Service Provider considers any part of its Proposal to be a trade secret, privileged information, or confidential commercial or financial data within the meaning of C.R.S. 24-72-204(3)(a)(IV), it must separate such information from the rest of the Proposal and clearly mark it as “Confidential and Proprietary”.

Submission of a Proposal constitutes a prospective Service Provider’s acceptance of the terms and conditions contained in this RFP, unless clearly and specifically noted in its Proposal and set forth in the investment advisory services contract entered into by and between the Board and the selected Service Provider (“Contract”). Nothing in the RFP shall be construed to obligate the Board to award a Contract to any prospective Service Provider should the Board determine that it is in the best interest of the Board, the Plan and its beneficiaries not to do so.

**REQUEST FOR PROPOSALS**  
**North Metro Fire Rescue District “Old Hire” Defined Benefit Plan**  
**Investment Advisory Services**

---

**III. PROPOSAL INSTRUCTIONS**

- A. Authorized Representative.** All Proposals must be signed in black or blue ink by an authorized representative of the prospective Service Provider who has the legal authority to bind the prospective Service Provider to the Contract.
- B. Withdrawal.** Proposals may be withdrawn by providing a written notice of withdrawal by fax (303-451-0289) or email (lwillis@northmetrofire.org) prior to the Submission Deadline. Negligence or mistake on the part of a prospective Service Provider in preparing a Proposal shall not constitute a basis for withdrawing the Proposal after the Submission Deadline. The Board may, in its sole discretion, reject a Proposal that is conditional or qualified in any manner.
- C. Investigation of Qualifications.** The Board may make such investigations as it deems necessary to determine the ability of the prospective Service Provider to perform the work, and the prospective Service Provider shall furnish to the Board all such information and data for this purpose as the Board may request. The Board reserves the right to reject any Proposal if the documents and information submitted by, or investigation of, a prospective Service Provider fails to satisfy the Board that the prospective Service Provider is properly qualified to carry out the obligations of the Contract and to complete the work.
- D. References.** Prospective Service Providers shall provide documentation of having performed services of a similar nature to the services that are the subject of this RFP. Prospective Service Providers shall submit references of previous or current similar engagements and the Board may verify references. Documentation of prior or continuing similar experience must be submitted for a prospective Service Provider to be considered for award of the Contract.
- E. Insurance and Bond.** The Service Provider awarded the Contract must provide verification of current Errors and Omissions Insurance and a Fidelity Bond with a sufficient coverage amounts for any default, fraud, illegal investments, or other general errors and omissions, and the Board and Plan must be named as additional insureds and must be protected by the Fidelity Bond. The insurance must be primary coverage.
- F. Governing law.** All applicable laws, ordinances, and the rules and regulations of all authorities having jurisdiction over the Contract and the services to be provided by the selected Service Provider.

**REQUEST FOR PROPOSALS**  
**North Metro Fire Rescue District “Old Hire” Defined Benefit Plan**  
**Investment Advisory Services**

---

**IV. PROPOSAL CONTENT**

The Proposal must address all requirements in this RFP. The Proposal should be prepared simply and economically, providing a straightforward, concise description of the prospective Service Provider’s ability to satisfy the requirements of this RFP. While additional data may be presented, the following items must be included:

- A. License to Practice in Colorado.** An affirmative statement must be included that the Service Provider’s firm and all assigned key professional staff are licensed to practice in Colorado.
  
- B. Prospective Service Provider Qualifications and Experience.** The prospective Service Provider:
  - 1. Must currently manage at least \$50 million of domestic fixed income assets for public entities. Assets for which periodic (daily, monthly or quarterly) advice is provided should be excluded from the calculation of funds under management.
  - 2. Must assign a portfolio manager and a relationship manager who each have a minimum of ten years’ experience providing investment advice to public entities.
  - 3. Must be familiar with all applicable Colorado statutes with regard to qualified investments for public entities.
  - 4. Should have working knowledge of the statutory provisions governing “Old Hire” Pension Plans, located at C.R.S. 31-30.5-101, *et seq.*
  - 5. Must be registered with the Securities and Exchange Commission under the Investment Advisor’s Act of 1940.
  - 6. Must be financially solvent and appropriately capitalized to be able to provide service for the duration of the Contract.
  - 7. Must have Errors and Omissions insurance coverage of at least \$1 million and have the ability to name the Board as an additional insured.
  - 8. Must be able to obtain a Fidelity Bond that will benefit the Board in the minimum amount of \$300,000.
  - 9. Must adhere to the Code of Professional and Ethical Standards as described by the CFA Institute.
  
- C. Independence.** The prospective Service Provider should provide an affirmative statement that it is independent of the Board. The prospective Service Provider must provide an affirmative statement that it is independent of all of the entities included in its Proposal. In addition, the

**REQUEST FOR PROPOSALS**  
**North Metro Fire Rescue District “Old Hire” Defined Benefit Plan**  
**Investment Advisory Services**

---

prospective Service Provider shall give the Board written notice of any professional relationships entered into during the period of its engagement, if the new professional relationships may affect the prospective Service Provider’s independence as to the Board.

**D. Scope of Services.** Specific responsibilities of the selected Service Provider will include, but not be limited to, the following:

1. Manage on a daily basis the Plan’s investment portfolios with the stated investment objectives.
2. Place all orders for the purchase and sale of securities.
3. Communicate settlement information to the Board’s staff and coordinate security settlement.
4. Serve as a general resource to the Board’s staff for information, advice and training regarding fixed income securities and other investments.
5. Work with the Board’s staff to understand cash flow projections to ensure that the investment strategy is consistent with the Board’s liquidity requirements.
6. Provide monthly statements with all the information required by the Colorado Revised Statutes and GASB. These reports must include a mark-to-market valuation and such other valuation analyses as are customarily provided by investment advisors managing similar portfolios. The selected Service Provider must maintain accurate reports of investments including the diversity of investments and compliance with applicable investment policies of the Board, as may be amended from time to time, and the laws of the State of Colorado.
7. Provide quarterly investment reports, including a description of market conditions, performance of the authorized investment strategies and suggested changes to investment strategies. The performance data shall be presented as required by the CFA Institute’s “GIPS.”
8. The Service Provider WILL NOT provide custodial services or security safekeeping.

**E. Required Information**

**1. Firm Background**

- a. Describe the organization, date founded and ownership of your firm. Specify the number of years your organization has been providing investment management services.

**REQUEST FOR PROPOSALS**  
**North Metro Fire Rescue District “Old Hire” Defined Benefit Plan**  
**Investment Advisory Services**

---

- b. Describe any other business affiliations (e.g., subsidiaries, joint ventures, “soft dollar” arrangements with brokers).
- c. Describe your firm’s revenue sources (e.g., investment management, institutional research, etc.) and comment on your firm’s financial condition.
- d. Provide a copy of your firm’s most recent audited financial statement.
- e. Is your firm a registered investment advisor under the Investment Advisor’s Act of 1940? Please attach Part II of your most recent Form ADV.
- f. Describe any SEC, FINRA or any other regulatory censure or litigation involving your firm during the past ten years.
- g. State the amount of fidelity bond coverage, errors and omissions, employee dishonesty, fiduciary liability insurance, or other fiduciary coverage your firm carries. Provide Certificates of Insurance and other documentation to confirm that the Board and the Plan would be protected from an insurable or bondable loss caused by the prospective Service Provider or its employees.
- h. State whether your firm adheres to the Code of Professional and Ethical Standards as described by the CFA Institute.

**2. Personnel**

- a. Identify the number of professionals employed by your firm, by classification.
- b. Please describe your proposed project team, including the role they will play, title and years at firm. Identify the primary portfolio manager and client contacts assigned to manage the Plan’s portfolios.
- c. Provide biographical information on investment professionals, including number of years at your firm, that will be involved in the decision-making process for the Plan’s portfolios.

**3. Assets Under Management**

- a. Identify the types of accounts managed by your firm. Provide the total dollar amount and percentage managed (exclude accounts for which your service is providing periodic oversight or advice) for each of the following categories: public entity (excluding retirement funds), corporations, non-profit institutions and individual investors for each year from 2018 to 2020.
- b. Provide the number of portfolios which contain TYPE assets.

**REQUEST FOR PROPOSALS**  
**North Metro Fire Rescue District “Old Hire” Defined Benefit Plan**  
**Investment Advisory Services**

---

- c. For portfolios with durations which exceed one year, provide the percentage of assets under management for your latest reporting period using the following table:

U.S. Treasury securities	_____	%
Federal Agency obligations	_____	%
Corporate securities rated AA or higher	_____	%
Municipal Securities rated AA or higher	_____	%
Other	_____	%

**4. Philosophy/Approach**

- a. Describe your firm’s investment philosophy.
- b. What are your firm’s primary strategies for adding value to portfolios (e.g., market timing, credit research, trading)?
- c. Describe the process you would recommend for establishing the investment objectives and constraints for the portfolios that are the subject of this RFP.
- d. Describe your firm’s in-house technical and research capabilities. Are outside sources used by your firm on a regular basis?
- e. Describe your firm’s credit review process.
- f. How are brokers/dealers selected? What process does your firm have in place to monitor brokers/dealers after they have been approved?

**5. Portfolio Management**

- a. Are portfolios like the portfolios that are the subject of this RFP managed by teams or one individual?
- b. Primary client contact with the Board would be delegated to which of your firm’s professionals?
- c. How frequently is your firm willing to meet with staff and the Board?
- d. Describe procedures used by your firm to ensure that portfolios comply with client investment objectives, policies and bond resolutions.

**REQUEST FOR PROPOSALS**  
**North Metro Fire Rescue District “Old Hire” Defined Benefit Plan**  
**Investment Advisory Services**

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**6. Fees**

- a. Please include a copy of your firm’s fee schedule. State your fee in basis points for assets under management or other quantifiable fee method.
  - i. Please indicate whether they include custodial fees.
  - ii. Is there a minimum annual fee?
  - iii. Are fees charged when there is no activity in the account?
  - iv. Are there any fees not discussed in your firm’s response to the questions above? If so, please describe the fees.

**7. References**

Please provide three local public entity client references, including length of time managing their assets, client name, address and phone number.

**8. Reporting**

- a. Describe the frequency and format of the written reports your firm would provide to the Board and attach sample reports.
- b. Please describe how your firm typically reports performance.