



## Greater Tompkins County Municipal Health Insurance Consortium

PO Box 7 • Ithaca, New York 14851 • (607)274-5590  
[www.tompkinscountyny.gov/hconsortium](http://www.tompkinscountyny.gov/hconsortium) • [consortium@tompkins-co.org](mailto:consortium@tompkins-co.org)

*“Individually and collectively we invest in realizing high quality, affordable, dependable health insurance.”*

### **AGENDA**

### **Investment Management RFP Subcommittee**

### **January 25, 2022 – 3:30 P.M.**

### **Remote by Zoom**

Contact [consortium@tompkins-co.org](mailto:consortium@tompkins-co.org) for link to join meeting

1. Call to Order
2. Committee Organization
3. Changes to the Agenda
4. Expectations of Investment Manager
5. Review Draft Request for Proposals:
  - a. Content
  - b. Distribution List
  - c. Timeline and Rubric
5. Set Next Meeting
6. Future Discussion Topics
7. Adjournment



# Greater Tompkins County Municipal Health Insurance Consortium

125 East Court Street • Ithaca, New York 14850 • (607)274-5590  
www.healthconsortium.net • consortium@tompkins-co.org

*"Individually and collectively we invest in realizing high quality, affordable, dependable health insurance."*

## RESOLUTION NO. 004-2018 - ADOPTION OF GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM INVESTMENT POLICY

MOVED by Mr. Cook, seconded by Mr. Baxter, and unanimously adopted by voice vote by members present.

WHEREAS, Section E(9) of the Municipal Cooperation Agreement of the Greater Tompkins County Municipal Health Insurance Consortium ("GTCMHIC" or "Consortium"), provides that the Board of Directors of the Consortium shall "establish administrative guidelines for the efficient operation of the Plan"; and

WHEREAS, Section J(5) of the Municipal Cooperation Agreement provides that the "Chief Fiscal Officer may invest moneys not required for immediate expenditure in the types of investments specified in the General Municipal Law for temporary investments or as otherwise expressly permitted by the Superintendent"; and

WHEREAS, Section 4706(b) of the New York State Insurance Law provides that the Consortium's "reserve funds and surplus account" may be invested "in obligations specified in the general municipal law or education law (as applicable) for investment of moneys in reserve funds or as otherwise expressly permitted by the superintendent"; and

WHEREAS, the Consortium desires to adopt a formal "Investment Policy" whose primary objectives in priority order, are: (1) to conform with all applicable federal, state and other legal requirements; (2) to adequately safeguard principal; (3) to provide sufficient liquidity to meet all operating requirements of the Consortium; and (4) to obtain a reasonable rate of return.

now therefore be it

RESOLVED, that the Audit and Finance Committee hereby recommends that Board of Directors:

1. Adopts the *Investment Policy for the Greater Tompkins County Municipal Health Insurance Consortium* (the "Investment Policy") attached hereto as Exhibit "A"; and
2. Delegates to the Consortium's Chief Financial Officer the authority to: (i) administer the Consortium's investment program (the "Investment Program") pursuant to the terms and conditions of the Investment Policy; and (ii) to develop, recommend, and oversee such written procedures as are necessary for the operation of the Investment Program in compliance with the Investment Policy and all applicable federal and state laws; such written procedures becoming effective only upon approval by the Board.

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STATE OF NEW YORK    )  
                                  ) ss:  
COUNTY OF TOMPKINS )

I hereby certify that the foregoing is a true and correct transcript of a resolution adopted by the Greater Tompkins County Municipal Health Insurance Consortium on March 22, 2018.

  
Michelle Pottorff, Administrative Clerk

**EXHIBIT "A"**

**INVESTMENT POLICY**

**FOR**

**GREATER TOMPKINS COUNTY MUNICIPAL INSURANCE CONSORTIUM**

**Article I**

**Purpose and Objectives**

A. The purpose of this Investment Policy (the "**Policy**") is to set forth the parameters within which the funds of the Greater Tompkins County Municipal Health Insurance Consortium (the "**Consortium**") are to be managed. In methods, procedures, and practices, the Policy formalizes the framework for the Consortium's investment activities that must be exercised to ensure effective and judicious management of its funds.

B. This Policy applies to all moneys and other financial resources of the Consortium with regard to depositing and investing its assets, and the Policy shall represent the investment constraints of all invested assets.

C. The primary objectives for implementation of the Policy, in priority order, are: (1) to conform with all applicable federal, state and other legal requirements; (2) to adequately safeguard principal; (3) to provide sufficient liquidity to meet all operating requirements of the Consortium; and (4) to obtain a reasonable rate of return.

**Article II**

**Delegation of Authority**

A. Pursuant to Section J(5) of the Municipal Cooperation Agreement of the Consortium,<sup>1</sup> the Board of Directors of the Consortium (the "**Board**") may delegate certain responsibilities set forth herein to the Chief Fiscal Officer of the Consortium (the "**CFO**").

B. As set forth in Article II, Section (A) above, the Board hereby delegates to the CFO, the authority to administer the Consortium's investment program (the "**Investment Program**"), and to establish written procedures for the operation of the Investment Program consistent with this Policy, and all applicable federal and state laws<sup>2</sup>. However, any such written procedures shall become effective only upon approval by the Board.

**Article III**

**Standards of Care**

A. Prudence.

1. Each person responsible for managing and investing the Consortium's financial assets shall act in good faith and with the care an ordinary prudent person in a like position would exercise under similar circumstances. When making investment and management decisions, the primary objectives for implementation of the Policy set forth in Article I, Section (C) above shall be considered.

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<sup>1</sup> See Section J(5) of the 2014 Amendment to the Municipal Cooperation Agreement.

<sup>2</sup> See Section 10 and 11 of the New York State (the "**State**") General Municipal Law, and Section 4706(b) of the State Insurance Law.

2. In making decisions regarding management and investment of the Consortium's financial assets, the following non-exclusive factors shall be considered, if relevant:

- i. general economic conditions;
- ii. the possible effect of inflation or deflation;
- iii. the role that each investment or course of action plays within the overall investment portfolio of the Consortium;
- iv. the expected total return from income and the appreciation of its investments;
- v. other resources of the Consortium;
- vi. the needs of the Consortium and the specific funds to make distributions and to preserve capital; and
- vii. an asset's special relationship or special value, if any, to the purposes of the Consortium.

B. Ethics and Conflicts of Interest. Officers, members, and employees of the Consortium involved in the investment process shall refrain from personal activity that could conflict with the proper execution and management of the Investment Program, or that could impair their ability to make impartial investment decisions. Officers, members, and employees involved in the investment process shall disclose to the Consortium's Executive Director and the Board any material financial interests they have in financial institutions that conduct business with the Consortium, and shall further disclose any personal financial/investment positions that could be related to the performance of the Consortium's investment portfolio. Officers, members, and employees involved in the Investment Program shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the Consortium; and shall be bound by the Consortium's Code of Ethics Policy.

#### **Article IV** **Suitable and Authorized Investments**

A. The following investments are permitted by the Policy:

1. U.S. Treasury & Government Guaranteed. Direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, provided that the Full Faith and Credit of the United States of America must be pledged to any such direct obligation or guarantee ("**Direct Obligations**").

2. Municipals. Obligations issued or guaranteed by any of the following:

- i. Obligations of the State; or
- ii. With the approval of the State Comptroller, obligations issued pursuant to Section 24.00 or 25.00 of the State Local Finance Law (i.e. Tax Anticipation Notes and Revenue Anticipation Notes), by any municipality, school district or district corporation in the State, other than the Consortium.

3. Time Deposits. Special time deposit accounts, or non-negotiable certificates of deposit ("CD") in a State "banking institution"<sup>3</sup> or federally chartered banks, savings and loans or credit unions in excess of insured amounts which are fully collateralized with securities in accordance with State Law.

**Article V**  
**Investment Parameters**

A. Diversification. Investments of funds of the Consortium shall be diversified to limit the risk of loss resulting from the concentration of assets in a specific type of investment, specific maturity, specific issuer or specific sector. The diversification strategy shall be reviewed as frequently as circumstances require, but at least annually.

The following diversification parameters have been established:

Sector Type	Sector Max (%)	Issuer Max (%)	Ratings Requirement <sup>1</sup>	Max Maturity
US Treasury and Government Guaranteed	100%	N/A	N/A	10 Years <sup>2</sup>
Municipals	30%	5%	Top Three Ratings Categories	10 Years
Time Deposits and Certificates of Deposit	50%	FDIC Limit	N/A, so long as FDIC-guaranteed	5 Years
<sup>1</sup> By a Nationally Recognized Statistical Ratings Organization ("NRSRO") <sup>2</sup> Government guaranteed mortgage backed securities shall have a maximum weighted average life of 10 years				

B. Subsequent Credit Downgrades. In the event of a downgrade of a security below the minimum credit standards for a new investment of that security, the CFO shall evaluate the downgrade on a case-by-case basis, and promptly notify the Board and recommend a course of action. If the CFO and/or the Board has retained a professional investment advisor, the investment advisor shall promptly notify the CFO of any downgrade below the minimum credit standards and recommend a course of action.

**Article VI**  
**Investment Institutions**

A. All financial institutions and dealers with which the Consortium transacts business shall be creditworthy, and have an appropriate level of experience, capitalization, size and other factors that make the financial institution or the dealer capable and qualified to transact business with the Consortium.

B. The CFO shall evaluate the financial position of all financial institutions and dealers with which the Consortium transacts business, and maintain a listing of proposed depositories, trading partners, and custodians. Recent Reports of Condition and Income (i.e. call reports) shall be obtained for proposed banks, and security dealers that are not affiliated with a bank, shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as "primary dealers."

**Article VII**

<sup>3</sup> As such term is defined in Section 9-r of the State Banking Law.

### **Qualifications of Broker-Dealers**

A. The Consortium shall maintain a list of approved security broker-dealers selected by a process of due diligence, which process shall require all broker-dealer candidates to supply the following:

1. Audited financial statements demonstrating compliance with State and federal capital adequacy guidelines;
2. Proof of certification from the Financial Industry Regulatory Authority;
3. Proof of State Registration required by the State General Municipal Law;
4. Evidence of adequate insurance coverage; and
5. Certification and acknowledgement of having read, understood and agreeing to comply with this Policy.

B. Approved security broker-dealers may include primary dealers or regional dealers registered with the Securities Exchange Commission ("**SEC**") that comply with SEC net capital standards under Section 15c3-1 of the Securities Exchange act of 1934 (the "**Exchange Act**").

C. The Consortium is authorized to employ an external investment advisor that shall maintain its own list of approved and qualified security broker-dealers, subject to the same process of due diligence set forth in Article VII, Section (A) above.

### **Article VIII** **Competitive Transactions**

A. To ensure that transactions meet best execution requirements, the Consortium has established the following procedures:

1. The CFO or the investment advisor, to the extent applicable, shall seek to obtain at least three (3) competitive bids or offers on any necessary contract related to the purchase and sale of investments; and
2. The CFO or the investment advisor, to the extent applicable, shall document any competitive bids, offers, or quotations received in reliance on this Article.

B. If the Consortium hires an external investment advisor as permitted by Article VII, Section C of this Policy, the advisor must retain documentation demonstrating compliance with this Article, to the extent it is applicable, and provide such documentation to the Consortium upon request.

### **Article IX** **Securing Deposits and Investments**

A. All deposits and investments at a bank or trust company, including all demand deposits, certificates of deposit and special time deposits (hereinafter, collectively, the "**Deposits**") made by officers of the Consortium that are in excess of the amount insured under the provisions of the Federal Deposit Insurance Act, including pursuant to a Deposit Placement Program in accordance with applicable law, shall be secured by:

1. A pledge of “**eligible securities**”<sup>4</sup> with an aggregate market value that is at least equal to the aggregate amount of the Deposits;
2. A pledge of a pro rata portion of a pool of eligible securities, having in the aggregate a market value at least equal to the aggregate amount of the Deposits;
3. An “**eligible surety bond**”<sup>5</sup> payable to the government for an amount at least equal to one hundred percent (100%) of the aggregate amount of the Deposits and the agreed-upon interest, if any, executed by an insurance company authorized to do business in the State, whose claims-paying ability is rated in the highest rating category by at least two (2) nationally recognized statistical rating organizations;
4. An “**eligible letter of credit**,”<sup>6</sup> payable to the Consortium as security for the payment of one hundred forty percent (140%) of the aggregate amount of the Deposits and the agreed-upon interest, if any. An “eligible letter of credit” shall be an irrevocable letter of credit issued in favor of the Consortium for a term not to exceed ninety (90) days, by a qualified bank (other than the bank where the secured money is deposited). A qualified bank is either one whose commercial paper and other unsecured short-term debt obligations (or, in the case of a bank which is the principal subsidiary of a holding company, whose holding company’s commercial paper and other unsecured short-term debt obligations) are rated in one (1) of the three (3) highest rating categories by at least one (1) nationally recognized statistical rating organization, or one that is in compliance with applicable federal minimum risk-based capital requirements; and/or
5. An irrevocable letter of credit issued in favor of the Consortium by a federal home loan bank whose commercial paper and other unsecured short-term debt obligations are rated in the highest rating category by at least one (1) nationally recognized statistical rating organization, as security for the payment of one hundred percent (100%) of the aggregate amount of the Deposits, and the agreed-upon interest, if any.

## **Article X** **Safekeeping and Custody**

A. **Third-Party Safekeeping.** All investment securities purchased for or held as collateral on deposits or investments shall be held by an independent third-party safekeeping institution, such as a bank, trust company, or third-party custodial agent who may not otherwise be a counter-party to an investment transaction, selected by the Consortium (the “**Independent Safekeeping Institution**”), and subject to security and custodial agreements as follows:

1. Consistent with Section 10(3)(a) of the State General Municipal Law, the security agreement shall provide that eligible securities are being pledged to secure the Deposits together with agreed-upon interest, if any, and any costs or expenses arising out of the collection of the Deposits upon a default. It shall also provide the conditions under which the securities held may be sold, presented for payment, substituted or released and the events of default which will enable the local government<sup>7</sup> to exercise its rights against the pledged securities. Such agreement shall include all provisions deemed necessary and sufficient to secure in a satisfactory manner the local government’s interest in the collateral.

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<sup>4</sup> As defined in Section 10(1)(f) of the State General Municipal Law, and as further set forth in Schedule “A” attached hereto and made a part hereof.

<sup>5</sup> See State General Municipal Law Section 11(1)(g).

<sup>6</sup> See State General Municipal Law Section 11(1)(h).

<sup>7</sup> As such term is defined in Section 10(1)(a) of the State General Municipal Law.

2. The custodial agreement shall provide that the pledged securities will be held by the Independent Safekeeping Institution as agent of, and custodian for, a local government, and will be kept separate and apart from the general assets of the Independent Safekeeping Institution, and it shall also provide for the manner in which the Independent Safekeeping Institution shall confirm the receipt, substitution or release of the collateral. Such agreement shall further provide for the frequency of revaluation of collateral by the Independent Safekeeping Institution, and the substitution of collateral when a change in the rating of a security causes ineligibility pursuant to the State General Municipal Law.<sup>8</sup>

4. The security and custodial agreements shall also include all other provisions necessary to provide the Consortium with a perfected security interest in the eligible securities and to otherwise secure the local government's interest in the collateral, and may contain other provisions that the Board deems necessary.

B. Internal Controls. The CFO shall establish a system of internal controls, which shall be documented in writing. The internal controls shall be designed to prevent the loss of funds arising from fraud, employee error, and misrepresentation by third-parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the Consortium. The system of internal controls shall further provide a satisfactory level of accountability based upon records incorporating the description and amounts of investments, the fund(s) for which they are held, the place(s) where such funds are kept, and other relevant information, including dates of sale or other dispositions and amounts realized. In addition, the internal control procedures shall describe the responsibilities and levels of authority for key individuals involved in the Investment Program.

#### **Article XI** **Performance Standards/Evaluation**

A. Assets will be managed in accordance with the parameters specified within this Policy. Performance should be compared to a relevant benchmark or benchmark(s), at regular intervals, but at least on a quarterly basis.

B. Prior to any reporting period, a performance benchmark or benchmarks will be established by the Board. The benchmark(s) shall be reflective of the actual securities being managed and risks undertaken; and the benchmark(s) shall have a similar weighted average maturity and credit profile as the portfolio.

#### **Article XII** **Reporting/Disclosure**

A. The CFO shall prepare or have prepared an investment report each quarter, including a summary that provides an analysis of current investments (the "**Investment Report**"). The Investment Report shall be prepared in a manner that will allow the Board to ascertain whether investment activities during the reporting period have conformed to the Policy.

B. The Investment Report shall include, at a minimum, the following:

1. An asset listing showing par value, cost and accurate and complete market value of each security, type of investment, issuer, and interest rate;
2. Average maturity and duration of investments;
3. Maturity distribution; and
4. Average portfolio credit quality.

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<sup>8</sup> See Section 10(3)(a) of the State General Municipal Law.



**Article XIII**  
**Review of Policy**

The Board shall review the Policy at least annually, within one hundred twenty (120) days of the end of the fiscal year, to reflect developments affecting the Consortium's finances and activities, and to ensure its consistency with the primary objectives set forth in Article I, Section (C) herein.

**Article XIV**  
**Policy Adoption**

This Policy is adopted by the Board this 22<sup>nd</sup> day of March, 2018.

## SCHEDULE “A”

### Schedule of Eligible Securities for Collateralizing Deposits and Investments in Excess of FDIC Coverage <sup>9</sup>

<b>“Eligible Securities” for Collateral</b>	<b>For purposes of determining aggregate “market value,” eligible securities shall be valued at these percentages of “market value”:</b>
(i) Obligations issued, or fully insured or guaranteed as to the payment of principal and interest, by the United States of America, an agency thereof or a United States government-sponsored corporation.	100%
(ii) Obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank and the African Development Bank.	100%
(iii) Obligations partially insured or guaranteed by any agency of the United States of America, at a proportion of the market value of the obligation that represents the amount of the insurance or guaranty.	100%
(iv) Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation of this State or obligations of any public benefit corporation which under a specific State statute may be accepted as security for deposit of public moneys.	100%
(v) Obligations of counties, cities and other governmental entities of another state having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.	100% if rated in the highest category; 90% for 2nd highest; 80% for 3rd highest.

<sup>9</sup> See State General Municipal Law Subsections (10)(1)(f)(i)-(iv) and (vii).

GREATER TOMPKINS COUNTY  
MUNICIPAL HEALTH INSURANCE  
CONSORTIUM

Investment Management Services

Request for Proposal (RFP)

PO Box 7  
ITHACA, NY 14851  
TEL 607-274-5590  
FAX 607-273-5854

[CONSORTIUM@TOMPKINS-CO.ORG](mailto:CONSORTIUM@TOMPKINS-CO.ORG)  
[HTTP://HEALTHCONSORTIUM.NET/](http://HEALTHCONSORTIUM.NET/)

*RFP Response Due Date: Friday,           , 2022*

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**REQUEST FOR PROPOSAL  
INVESTMENT MANAGEMENT SERVICES**

## INTRODUCTION

The Greater Tompkins County Municipal Health Insurance Consortium (Consortium) is requesting proposals for Investment Management services on its Article 47 self-insured medical plan for an effective start date of **January 2023**.

The Consortium is seeking a firm to manage investment of the Consortium's reserve and unappropriated funds as selected by the Consortium's Chief Financial Officer in accordance with the Consortium's Investment Policy. The primary objectives for implementation of an Investment Policy, in priority order, are: (1) to conform with all applicable federal, state and other legal requirements; (2) to adequately safeguard principal; (3) to provide sufficient liquidity to meet all operating requirements of the Consortium; and (4) to obtain a reasonable rate of return.

The Consortium's Investment Policy is attached.

## OVERVIEW OF THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

The Consortium is a self-insured, Article 47 Plan, that offers medical and prescription drug health insurance coverage to its participants. Currently the Consortium covers the employees, retirees, and their dependents and is made up of the following municipalities:

County of Tompkins	City of Ithaca	Town of Ithaca	Town of Caroline
Town of Danby	Town of Dryden	Town of Enfield	Town of Ulysses
Village of Cayuga Heights	Village of Dryden	Village of Groton	City of Cortland
Village of Trumansburg	Town of Lansing	Town of Truxton	Town of Virgil
Town of Marathon	Village of Homer	Town of Willet	Town of Homer
Town of Moravia	Town of Scipio	Town of Preble	Town of Aurelius
Village of Union Springs	Town of Springport	Town of Cincinnatus	Town of Newfield
Town of Montezuma	Town of Owasco	Seneca County	Town of Big Flats
Village of Horseheads	Town of Sennett	Village of Freeville	Town of Niles
Town of Mentz	Village of Lansing	Town of Horseheads	Lansing Library
Village of Watkins Glen	Town of Spencer	Town of Catharine	Town of Cuyler
Town of Hector	Village of Owego	Town of Tioga	Town of Dix
Town of Groton	Town of Throop	Town of Erwin	Village of Minoa
Village of Fayetteville			

The Consortium was awarded Article 47 certification on October 1, 2010 from the New York State Department of Financial Services with an operational effective date of January 1, 2011. The Consortium initially consisted of thirteen municipal corporations within Tompkins County. In 2015, the Consortium expanded its market area to the six (6) contiguous counties to Tompkins County. In 2021, the Consortium again expanded its market area to nine (9) additional counties to now include Cayuga, Chemung, Cortland, Schuyler, Seneca, Tioga, Tompkins, Broome, Chenango, Madison, Onondaga, Ontario, Oswego, Steuben, Wayne, and Yates. Currently the Consortium has fifty-three municipal partners with voting authority on the Board of Directors along with nine (9) labor directors. You can find the Municipal Cooperative Agreement on our website: <http://healthconsortium.net>

The Consortium's benefit plans cover approximately 6,345 active employees, retirees, and their dependents. More information about the Consortium can be found on our website.

**The Executive Director of the Greater Tompkins County Municipal Health Insurance Consortium is soliciting proposals from qualified firms to provide Investment Management Services.**

Any questions and the completed proposals and other required documents must be electronically submitted through the Consortium's online bidding system <https://www.bidnetdirect.com/new-york/tchealthconsortium> marked with the name and number of the Proposal and the name and address of the IMS no later than **[TIME AND DATE]**. The Executive Director reserves the right to reject any, and all proposals.

## Scope of Investment Management Services

The firm selected will be required to effectively invest Greater Tompkins County Municipal Health Insurance Consortium funds on a discretionary basis in accordance with the Consortium's Investment Policy (**attached**) and cash flow needs. In addition, the firm will be expected to provide quarterly written reports on the performance of the portfolio and must be available to make periodic oral reports to the Plan's Audit and Finance Committee or Executive Director and Finance Manager. **The firm will also be expected to complete Schedule B - Investments report of the three quarterly filings to the NYS Department of Financial Services and the Annual filing as well (Schedule B is attached).** The firm will also be expected to advise the Board of Directors and or Executive Committee and assist in the review and amendment of its investment policy and cash flow analysis from time to time.

## PROPOSAL REQUIREMENTS

### I. Organization

- a. Describe organization, date founded, and ownership.
- b. Describe your firm's sources of revenue, categorized by retail and institutional accounts (e.g., investment management, institutional research, etc.).
- c. Describe your firm's business affiliations (subsidiaries, joint ventures, and all "soft dollar" arrangements) and policy on soft dollar arrangements.
- d. Is your firm a registered investment advisor under the Investment Advisor's Act of 1940, as amended?
- e. Provide your firm's most recent ADV, Part 2 as on file with the SEC.
- f. Describe the firm's professional/errors and omissions insurance coverage.
- g. Describe any SEC regulatory censure, state censure or litigation related to services the firm provides to public sector investors.
- h. Proof of State Registration required by the State General Municipal Law
- i. Proof of certification from the Financial Industry Regulatory Authority

## II. Experience

- a. Provide an overall statement of the firm's understanding of New York State municipal insurance investment policies, guidelines, and philosophies in general.
- b. Describe your firm's experience with investment policies, goals and objectives for municipal self-insurance plans.
- c. Describe your firm's experience, including number of years and total assets under management, in managing fixed income portfolios for municipal self-insurance plans. Your answer should also include data for municipal self-insurance clients in New York.
- d. Describe your experience working with clients governed by New York State General Municipal Law.

## III. Personnel/Staffing

- a. Identify the number of professionals employed by your firm, by classification.
- b. Provide an organizational chart showing function, positions, and titles of professionals in your organization that would be assigned to our relationship. This list should include the primary person(s) assigned to our account as the primary point of contact.
- c. Provide biographical information on investment professionals, including number of years at your firm, who will be involved in the decision-making process for our portfolio.
- d. State whether there has been any turnover of key personnel in the firm or additions to staff in the past year.

## IV. Assets Under Management

- a. Audited financial statements demonstrating compliance with State and federal capital adequacy guidelines.
- b. Summarize your institutional investment management asset totals by category as of December 31, 2021.
- c. Provide data on account/asset growth over the past 10 years ended December 31, 2021.
- d. Provide 10 years of average annual performance history for short and intermediate-term fixed income or principal secure composites. Data should be reported as of December 31, 2021.
- e. Please provide details of each composite, including the following, as of the most recent quarterly reporting period:
  1. Market value weighted duration compared to benchmark
  2. Number of portfolios in each composite
  3. Composite assets
  4. Composite risk measure compared to benchmark, such as standard deviation of returns, max-min or range of performance, or other risk metric.

## V. Philosophy/Approach

- a. Please describe your firm's investment philosophy for managing municipal self-insurance portfolios, including your firm's philosophy of average duration, maturity, and yield.
- b. What are the primary strategies for adding value to these types of portfolios?
- c. Describe the process you would recommend for establishing the investment objectives and constraints for this account.
- d. Describe how investment decisions are made and how you would involve Consortium staff.
- e. How frequently do you formulate and review fixed income or principal secured strategy?
- f. How is strategy carried out and who is involved?
- g. How quickly, after strategy is implemented, are specific decisions made?

## VI. Portfolio Management

- a. Are portfolios managed by teams or individuals?
- b. What protocols and processes are used to follow the portfolio's investments?
- c. What is the average number of accounts handled per individual?
- d. Who is the backup when a dedicated portfolio manager is not available?
- e. Describe procedures that ensure portfolio compliance with client investment objectives and policies.
- f. What system of controls/audits are in place to prevent loss of funds due to fraud, error, or other irregularities?
- g. What do you need from the Consortium to handle fluctuating cash flows and the cash forecasting process?

## VII. Reporting

- a. How frequently do you meet with similar municipal self-insurance plans and who from your firm attends these meetings?
- b. Describe the frequency and format of reports that you would provide to us. Include samples.
- c. Describe your online reporting capabilities, including the time frequency of publishing monthly statements.

## VIII. Fees

- a. Include your proposed fee schedule, in detail.
- b. On a sample \$25 million portfolio, what are your expected annual fees?
- c. What additional expenses not covered through the fee structure will be expected in order to implement your Investment Management services?
- d. Please provide your proposed reimbursement schedule.

IX. Term of Agreement

- a. Include your proposed term of agreement and terms for agreement extension.

X. References

- a. Please provide five references, preferably a municipal reference within New York state, including client name, address, and phone number, and length of time as a client.

## Vendor Selection Criteria

The Consortium will evaluate vendor responses to this RFP and make selection based on the following criteria and the attached relative weighting:

I. Experience

- Managing Portfolio that complies with the Consortium’s Investment Policy
- Return on that Portfolio
- Diversification and Management Philosophy
- Securing and Collateralization of Deposits and Investments

II. Scope of Project Services

III. Proposal in the Consortium’s best interest

IV. Fees and Other Costs

V. Interviews via Zoom may be requested.

VI. References

## Submission of Bid

Proposal submission must be done electronically (Subject line: Investment Management Services RFP) and are due by **2022 @ 4 PM**

## Required Documents

The Greater Tompkins County Municipal Health Insurance Consortium requires the attached documents to be completed and all requested information submitted with your proposal. If you fail to provide any of the required documents or information, your proposal will be deemed incomplete and may be removed from consideration for this service.



## Instructions to Bidders

1. All bid and questions must be submitted electronically through the Consortium's online bidding system <https://www.bidnetdirect.com/new-york/tchealthconsortium>
2. The Consortium reserves the right to "Revise" or "Amend" the bid specifications prior to the bid opening date by written "Addenda". It is the responsibility of the bidder to ascertain whether any addenda have been issued by checking the Consortium's online bidding system <https://www.bidnetdirect.com/new-york/tchealthconsortium> prior to submitting their bid.
3. No charge shall be allowed for federal, state, municipal sales, surcharges, or excise taxes from which the Consortium is exempt. Exemption certificates will be forwarded to the successful bidder upon request.
4. Bidders shall indicate on the cover page of their bid the following information:
  - A. Title of Bid
  - B. Date & Time of Bid Opening
  - C. Company Name. Each bid must be submitted under separate cover and will be considered on its own merits.
5. In an effort to promote greater use of recycled and environmentally preferable products and minimize waste, all responses submitted should comply with the following guidelines:
  - A. All copies should be delivered electronically
  - B. Unnecessary samples, attachments or documents not specifically asked for should not be submitted.
6. The following forms are to be submitted with the bid package:
  - A. Bid form, filled out in its entirety
  - B. Non-Collusive Affidavit, signed and dated
    - All responders submitting proposals under the provisions of the specifications are subject to the provisions of Section 103 of the General Municipal Law of the State of New York. A signed Non-Collusive Bidding Certificate (included in the specification package) must be submitted with each response on the form provided
  - C. Anti-Discrimination Clause, signed and dated
  - D. References as indicated in the bid specifications
  - E. Bid Sign-Off Sheet, filled out in its entirety
  - F. Insurance Certificate, completed and signed by insurance agent
  - G. Vendor Responsibility Form
  - G. Iran Divestment Act Compliance Form
  - H. Certification and acknowledgement of having read, understood, and agreeing to comply with the attached Investment Policy.
  - I. Any other information required in the bid specifications

Under no circumstances is it necessary to return the technical specifications with the bid. The bidder should retain them for their records.

7. Bidders submitting a bid will be supplied with a copy of the bid tabulation, upon request, with the bid award information as soon as they become available.
8. Failure to submit any of the above data may result in the rejection of the bid as non-responsive. Furthermore, the Consortium reserves the right to require the vendor to supply any additional information it deems necessary to determine the successful responsive/responsible vendor and further to waive any minor informalities it deems to be in its best interest.
9. The apparent silence of the specifications as to any details or the omission from it of a detailed description concerning any point shall be interpreted as meaning that only the best commercial practices are to prevail and that only materials and workmanship of first quality are to be used, specified or accepted.
10. The Consortium reserves the right to consider a bid “incomplete” or “non-responsive” if it is not submitted in accordance with the provision of the specifications, or to waive informalities in any bid as received. The Consortium also reserves the right to reject any and all bids that do not prove to be in the best interest of the Consortium without cause.