

INVESTMENT REQUEST FOR PROPOSALS



KANAWHA VALLEY REGIONAL
TRANSPORTATION AUTHORITY

June 2023





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INVESTMENT RFP

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1-Introduction

The Kanawha Valley Regional Transportation Authority, a West Virginia public corporation (KRT), was created in 1972 to provide transportation services in the Kanawha Valley.

Currently the organization has two separate accounts for its investment needs; one is an investment account that has a balance of approximately \$600,000 named the KVRTA Self Insurance Fund Account, and the other is the KVRTA Custody Account that has a balance of around \$11 million.

The intent is to allocate a larger amount to the investment account once discussions can be had with KRT's finance committee and the firm selected with this proposal (KRT has obligated approximately \$4 million from these funds to be spent in the upcoming year for buses). In a typical month KRT will have a wire transfer coming in for KRT's share of the levy proceeds administered by the county sheriff's office (sometimes along with 2 or 3 other smaller transactions), and then KRT makes a transfer from this account to its operating checking account of about \$1 million as needed typically monthly. A ballpark estimate is to be able to have \$1 – 2 million kept liquid and available for KRT's monthly operating needs, an approximate amount of \$6 million could be tied up in more long-term investments, with the remaining amount in more short-term funding. It is most likely KRT will need to be conservative with investments, but such direction will be determined as necessary once a firm has been selected by KRT's finance committee.

KRT is soliciting proposals from interested firms to handle all investment responsibilities of both of these funds. KRT is governed by a board of members who is composed of members of the community. The executive board consist of President, Vice President, Secretary, and Treasurer. However, neither KRT or the board of members will undertake any duties or responsibilities to choose, supervise or direct the selection of investments by the independent Discretionary Trustee of the fund, nor will they execute any documents which purport to transfer any discretionary fiduciary investment responsibilities to them by the independent Discretionary Trustee.

2-Scope of Work

The firm selected will be required to provide the following services:

1. Investment of Funds:
The firm must effectively invest KRT funds, provide discretionary full-time portfolio and effectively invest the portfolio pursuant to the approved investment policy and cash flow needs.
2. Written and Oral Reports:
The firm must provide a written report, as required, monthly demonstrating the portfolio performance and the current information about the portfolio, as described in the investment policy. The firm must also be available to make periodic oral reports to KRT's board.
3. Evaluation of Investment Policy:
The firm must annually assist in the review of KRT investment policy. The proposed changes to the investment policy will be presented in final draft form to the Executive Director and Director of Finance prior to submission to the Board.

3-Selection Criteria

1. Understanding the scope of the assignment.
2. Experience and qualifications of firm and individuals assigned.
3. Recommended approach to management of KRT portfolio.
4. Familiarity with State investment and reporting requirements.
5. Performance history.
6. Fees.

4-Organization and Investment Approach

4.1 Organization:

- A. Describe your firm, the date founded, ownership, other basic affiliations, and history. (Please provide number and location of affiliated offices.)
- B. Describe all your firm's sources of revenue (e.g., investment management institutional research, etc.) and comment on your firm's financial condition.
- C. Describe any SEC censure or litigation involving your organization at any time.
- D. Identify the types of accounts primarily sought after by your firm.
- E. Provide information regarding the bonding and insurance your firm has in place.
- F. Specify if your firm has a dual registration.
- G. Describe your firms' commitment to community involvement.
- H. Describe your firms' competitive advantages.
- I. Describe how your firm addresses potential conflicts of interest.

4.2 Personnel

- A. Identify the number of professionals employed by your firm, by classification.
- B. Provide biographical information on investment professionals that will be involved in the decision-making process for our portfolio.
- C. Describe your firms' compensation policies for investment professionals.
- D. Describe your firms' customer service philosophy.

4.3 Asset Management

- A. Provide the number and types of accounts, total asset value and composition of portfolios currently being managed by your firm.
- B. Provide Government Investment Pools (GIPs) complaint performance for 1, 3, 5, and 10 years.

4.4 Philosophy/Approach

- A. Describe your firm's investment philosophy.
 1. Indicate whether it has changed during the past five years.
 2. Indicate what is distinctive about your philosophy.
- B. Describe your investment process.
- C. Describe the maturity concentration, quality, and sectors of current accounts like KRT.
- D. In connection with KRT's investment policy, would you recommend there be any policy restrictions or other changes?
- E. Describe your firm's decision-making process in terms of structure, committees, memberships, meeting frequency, responsibilities, integration of research ideas and portfolio management.

- F. Describe your research capabilities as they would pertain to KRT's portfolio.

4.5 Fund Management

- A. Describe whether portfolios are managed by terms or by one individual.
- B. Describe the average number of accounts and table of assets handled per investment professional.
- C. Indicate which of your firm's professionals would be delegated as the primary client contact.
- D. Indicate how frequently you are willing to meet with KRT representatives.
- E. Describe procedures used to ensure that portfolio complies with the KRT investment policy.
- F. Indicate if your firm utilizes third party managers, proprietary investment products, or mutual funds.
- G. Describe how you evaluate risk.
- H. List on the following table the percentage by market value aggregate assets under management with similar agencies portfolios managed for your latest reporting period.

U.S. Treasury securities	_____ %
Corporate securities rated AAA-AA	_____ %
Corporate securities rated A	_____ %
Corporate securities rated B	_____ %
Corporate securities rate BBB or lower	_____ %
Federal Agency obligations	_____ %
Other	_____ %

4.6 Fees

- A. Include a copy of your firm's fee schedule.
1. Indicate whether there is a minimum annual fee.
- B. Indicate whether fees would be charged when there is no activity in the account.
- C. Disclose a weighted average fund expense ratio in addition to the advisory fee.
- D. Indicate other services that are included.

4.7 Performance Reporting

- A. Indicate whether your returns are calculated and compiled in accordance with the GIPS standards.
- B. Indicate whether you are willing to develop reporting procedures in line with KRT's needs and objectives.
- C. Indicate whether confirmations of investment transactions are sent directly by the broker-dealer to the client.

4.8 Other

- a. Provide a copy of your Form ADV, including but not limited to parts 2A and 3.
- b. Provide a copy of your Privacy Policy.

4.9 References

Provide three references, including length of time managing their assets and client name, address, and phone number.

5-Insurance Requirements

Proposers shall take out and maintain during the entire term of the agreement insurance pertaining to the activities associated with the agreement.

6-Selection process

Upon receipt of the proposal, KRT staff will review each firm's response to this Request for Proposal. Failure to properly address all items set forth above may disqualify the prospective proposal. KRT reserves the right to reject any or all proposals at its sole discretion. At their discretion staff may interview one or more firms to further assist in the review process. KRT reserves the right to award the contract at its discretion depending upon the multiple areas of criteria.

All proposals must be received in our office by 5:00pm EST on June 30th late proposals will be rejected. If submitted via mail, please send 6 copies of your proposal correspondence, or email to:

KRT

Scott Menefee

Director of Finance

PO Box 1188

Charleston, WV 25324

smenefee@rideonkrt.com

Questions concerning this Request for Proposal should be emailed to:

Scott Menefee

smenefee@rideonkrt.com

Note: KRT will send all questions and responses to all interested parties to ensure all parties have the same information to prepare a response.

7-Timeline

The following is the selection timeline:

June 1 st	Notice of RFP
June 21 st	Questions related to RFP Due
June 23 rd	KRT Response to questions due
June 30 th	Proposals due by 5:00pm
Week of July 3 rd	Review proposals
Week of July 17 th	Notify selected firms for interview.
Week of August 10 th	Interview of selected firms
August 17 th	If a selection is made, the Board approves selection for firm.

8-Evaluation

The Proposal will be evaluated by a committee. Proposals will be evaluated based on the following scoring criteria:

1	Project Understanding & Technical Capacity (10 Points Each) <ul style="list-style-type: none">• Ability to meet KRT's requirements for the project.• Organization and investment approach• Asset management• Philosophy and Approach	
		40
2	Qualifications & Experience (5 Points Each) <ul style="list-style-type: none">• Experience in performing work similar in nature and/or related to the work described in the Scope of Work• Biographical Information on investment professionals involved with KRT's portfolio.• Experience working with non-profit agencies strength and financial stability of the firm	
		15
3	References (15 Points) <ul style="list-style-type: none">• Satisfaction of three (3) key references	15
4	Fees <ul style="list-style-type: none">• Reasonableness of Fees• Transparency of pricing structure	
		30

9-TERMS AND CONDITIONS

9.1 Term of Contract

This Agreement shall commence on August 17th, upon execution by both parties and shall continue unless terminated earlier in accordance with the provisions of this Agreement.

9.2 Duties of CONTRACTOR

A. CONTRACTOR will provide advisory services for each fund designated by KRT. Without limiting the foregoing, CONTRACTOR will provide investment research and management with respect to all securities, investments and cash equivalents in each fund. CONTRACTOR will have full discretionary power and authority to supervise and direct the investment of the assets in the funds, including the power and authority to buy, sell, exchange, convert and otherwise effect transactions in any stocks, bonds, investment companies (including mutual fund, closed-end fund and exchange-traded fund shares) and other securities or investments, and to maintain uninvested funds, if any, in cash management securities (including a money market account), all at KRT's risk and without prior consultation with it. The KRT acknowledges and agrees that to the extent assets in the funds are invested in securities of investment companies, the funds will bear indirectly a proportionate share of the expenses of such investment companies, including operating costs and investment advisory and administrative fees.

B. CONTRACTOR will review and comply with reasonable written guidelines regarding investments to be held within the fund (the "Investment Guidelines") provided to CONTRACTOR by KRT.

C. While this Agreement is in effect, CONTRACTOR will provide KRT, without charge, with a current version of its Disclosure Statement as required pursuant to Rule 204-3 (17 CFR 275.204-3) under the CONTRACTOR's Act on an annual basis upon KRT's written request.

D. CONTRACTOR will fully and faithfully discharge all its obligations, duties and responsibilities pursuant to this Agreement and will promptly notify KRT if any of the representations, warranties or covenants set forth in this Agreement is no longer true or correct in any material respect.

9.3 Brokerage and Trade Execution Services [To be Determined]

9.4 Custody of Securities

A. Custody of securities will be at an institution determined by KRT.

9.5 Independent CONTRACTOR

A. The parties intend that this Agreement will create an independent relationship. KRT is interested primarily in the results to be achieved; the implementation of services will lie solely with the CONTRACTOR. No agent, employee, servant, or representative of CONTRACTOR shall be deemed to be an employee, agent, servant, or representative of KRT for any purpose, and the employees of

CONTRACTOR are not entitled to any of the benefits KRT provides to its employees. CONTRACTOR will be solely and entirely responsible for its acts and the acts of its agents, servants, SUBCONTRACTORS, or representatives during the performance of this contract.

B. In the performance of the services contemplated, the CONTRACTOR is an independent CONTRACTOR with authority to control and direct the performance of the details of the work. However, the results of the work contemplated herein must meet the approval of KRT. CONTRACTOR shall be subject to KRT's general rights of inspection and review to secure satisfactory completion.

C. CONTRACTOR shall designate a representative to act on its behalf. The said representative shall have full authority to direct all affairs concerning the work performed under this Agreement.

9.6 Assignment and/or Subcontracting

KRT and CONTRACTOR, each for themselves, bind themselves, their principals, successors, assignees, and legal representatives of such party in respect of all contract covenants. This contract and all obligations arising thereunder shall not be sold, assigned, or transferred by either party without the previous consent, in writing, of the other party to this Agreement. The performance of all activities contemplated by this contract shall be accomplished personally by the CONTRACTOR, persons, and SUB-CONTRACTORS identified in the submittal. CONTRACTOR shall not assign or subcontract performance to others unless authorized in writing by KRT in advance. All terms and conditions of this Agreement shall apply to any approved subcontract or assignment related to this Agreement.

9.7 Safeguarding KRT Information / Trade Secrets or Confidential Proprietary Data

CONTRACTOR agrees that confidential information obtained from KRT shall not be disclosed except upon the written consent of KRT. KRT may withhold from disclosure those portions of the Proposal or bid that the Offeror designates as trade secrets or as confidential, proprietary data by applicable law. The Offeror shall separate information designated as confidential from other non-confidential information at the time of submitting its Proposal or bid.

9.8 Changes to Agreement

Either party may request changes to the scope of services and performance to be provided hereunder; however, no change or addition to this contract shall be valid or binding upon either party unless such change or addition be in writing and signed by both parties. Such amendments shall be attached to and made a part of this Agreement.

9.9 Licensing in Compliance with Laws and Regulations

CONTRACTOR agrees to comply with all applicable federal, state, county, or municipal standards for the licensing, certifications, operation of facilities and programs, and accreditation and licensing of individuals if any. CONTRACTOR holds all necessary licenses and certifications required or advisable to perform its duties hereunder and shall maintain such licenses and certifications throughout the Term of this Agreement. CONTRACTOR is duly registered as an investment adviser with the Securities and Exchange Commission pursuant to the CONTRACTORS Act.

9.10 Notices

All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally, by e-mail transmission (with confirmation), mailed by registered or certified mail (return receipt requested) or delivered by an express courier (with confirmation) to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

Kanawha Valley Regional Transportation Authority

Attn: Scott Menefee

1550 4th Avenue

Charleston, WV 25387

smenefee@rideonkrt.com

If to CONTRACTOR:

Email:

9.11 Termination

Default: In the event, that the CONTRACTOR breaches the terms or violates the conditions of this Agreement and does not cure the default within ten (10) business days after receiving written notice of such default from KRT, KRT may immediately terminate the contract, and pursue any legal and equitable remedies available to it against the CONTRACTOR.

Notice: Termination shall be affected by serving a written notice of termination on the CONTRACTOR setting forth how the CONTRACTOR is in default. Service shall be obtained by personal delivery or delivery by mail, registered or certified, postage prepaid with return receipt requested and addressed to the CONTRACTOR at the most recent address provided by the CONTRACTOR. Either party may terminate this Agreement at any time for any reason by giving thirty (30) days' notice to the other party.

9.12 Compensation and Liability:

The CONTRACTOR will only be paid for services performed in the manner of performance bargained and outlined in this Agreement. In addition to any other available remedies, the Contractor, and to the extent applicable, the CONTRACTOR's sureties shall be liable to KRT for all costs, loss, or damage incurred for services to complete the contract.

9.13 Termination of Subcontracts:

As directed to do so in the notice of termination, the CONTRACTOR agrees to and shall cancel, withdraw, or otherwise terminate any outstanding orders or subcontracts which relate to the performance of this contract. To this effect, KRT shall not be liable to the CONTRACTOR nor CONTRACTOR's creditors for any expense, encumbrances, or obligations whatsoever incurred after the date of termination.

9.14 Proposal Acceptance or Rejection

KRT reserves the right to reject any or all proposals, to accept or reject any or all items in the proposal, to waive any informality in the proposals received, and to award the contract in whole or in part if it is deemed to be in the best interest of the KRT. KRT reserves the right to negotiate with any consultant after proposals are opened if such action is deemed to be in the best interest of KRT. In addition to the factors mentioned above, CONTRACTORS are cautioned to carefully review all terms, conditions, and specifications of the RFP before submission of proposals. The work may be awarded based on the CONTRACTOR's Proposal including the CONTRACTOR's qualifications as received and without further discussion.

9.15 Proposal/Bid Protest

Protests will only be considered if they are submitted by an interested party: an actual or prospective offeror whose direct economic interest would be affected by the award of a contract or by the failure to award a contract. All protests shall be filed in writing with the Director of Purchasing and shall:

- Contain the protestor's name, address, and phone number; Identify the procurement at issue; State the factual and legal grounds for the protest; Include copies of any supporting documents; and describe the relief requested.

The office of the Director of Purchasing shall document the date and time of receipt of any protest in the file. KRT shall give all known potential offerors timely notice of any protest filed and the basis therefore by addendum. The procurement committee shall respond in detail in writing to each substantive issue raised in the protest. A protestor may withdraw its protest at any time before KRT issues a final decision. All protest decisions shall:

- Be made within fifteen (15) working days of the date the protest is received by KRT.
- Be made in writing; clearly state the decision and grounds on which it is based.
- Be final. The protestor may file a request for reconsideration within five (5) working days of the issuance of KRT's decision, but only if new information becomes available that was not previously known; or there has been an error in law or regulation.

Protests will only be received after the award of a contract.

Protests must be filed within ten (10) working days of the contract award. Thereafter, all issues relating to the award of the contract are deemed waived by all interested parties.

The procurement committee shall respond in writing to each post-award protest within twenty (20) working days of the date it is received by KRT. After it is received by KRT, the post-award protest shall be handled in accordance with section 9.12.

Upon receipt of a post-award protest, KRT shall suspend performance of the contract at issue until five (5) calendar days after the resolution of the protest unless KRT determines in writing that proceeding to award the contract is justified for urgent and compelling reasons or is in the best interest of KRT because failure to proceed would otherwise unduly delay delivery or performance or otherwise cause undue harm to KRT or the state or federal government.

The contractor/awardee shall be notified of the protest and the basis therefore within one working day after its receipt by KRT.

The contractor/awardee may, at its option, submit a written response to the protest within twenty (20) working days of the date the protest was received by KRT.

To prevent the improper disclosure of confidential business information, unredacted copies of the protest shall be provided solely to attorneys or other appropriate representatives of the contractor/awardee who have signed and are subject to a confidentiality agreement designed to prevent such disclosure.

9.16 Order of Precedence

Any inconsistency in this solicitation or contract shall be resolved by giving precedence in the following order:

- A. Procurement document and contract schedule.
- B. General instructions and conditions, representations, and certifications.
- C. Contract clauses.
- D. Other documents, exhibits, and attachments; and
- E. Technical specifications or statement of work.

9.17 Withdrawals and Modifications

Any proposals can be withdrawn or modified in writing by contacting Scott Menefee smenefee@rideonkrt.com , before the closing date.

10-REQUIRED FORMS

10.1 Statement of Qualifications Certification

Representation Concerning Offeror's Business Form

The Offeror is a:

- ☐ Corporation
- ☐ Partnership
- ☐ Limited Liability Company
- ☐ Sole Proprietorship
- ☐ Other: _____

organized and existing under the laws of _____.

Offeror Representative Signature

Offeror Representative Name and Title

Offeror Company

Date

10.2 DBE Form

Representation Concerning Offeror's DBE Status

The Offeror ☐ is / ☐ is not a Disadvantaged Business Entity as defined under 49 CFR Part 26.

Offeror Representative Signature

Offeror Representative Name and Title

Offeror Company

Date

10.3 Debarment, Suspension, and Other Responsibility Matters

1. The Offeror certifies to the best of its knowledge and belief, that it and its principals:
 - (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal or State department or agency;
 - (b) Have not within a three-year period preceding this bid/proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or Local) transaction or contract under a public transaction; or violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or Local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - (d) Have not within a three-year period preceding this bid/proposal had one or more public transaction (Federal, State, or Local) terminated for cause of default.
2. If the Offeror is unable to certify to any of the statements in this certification, it must attach an explanation to this certification.
3. The Offeror certifies or affirms the truthfulness and accuracy of the contents of the statements submitted on or with this certification and understands that the provisions of 31 USC Sections 3801 *et seq.* are applicable thereto.

Offeror Representative Signature

Offeror Representative Name and Title

Offeror Company

Date

10.4 Lobbying Certification

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The Offeror certifies, to the best of its knowledge and belief, that:

- A. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- B. If any funds other than Federal appropriated funds have been paid or will be paid to any person for making lobbying contacts to an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form--LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions [as amended by "Government wide Guidance for New Restrictions on Lobbying," 61 Fed. Reg. 1413 (1/19/96). Note: Language in Paragraph B herein has been modified in accordance with Section 10 of the Lobbying Disclosure Act of 1995 (PL 104-65, to be codified at 2 USC 1601, *et seq.*)].
- C. The Offeror shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 USC § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

[Note: Pursuant to 31 USC § 1352(c)(1)-(2)(A), any person who makes a prohibited expenditure or fails to file or amend a required certification or disclosure form shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure or failure.]

10.4(Continued) **Lobbying Certification**

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The Offeror certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Offeror understands and agrees that the provisions of 31 USCA 3801, *et seq.*, apply to this certification and disclosure, if any.

Offeror Representative Signature

Offeror Representative Name and Title

Offeror Company

Date