



VIRGINIA SCHOOL FOR THE DEAF AND THE BLIND FOUNDATION

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Request for Proposal for Investment Management Support Virginia School for the Deaf and Blind (VSDB) Foundation

Scope. The VSDB Foundation (the Foundation) is seeking an Investment Management firm to provide technical services to assist the VSDB Board of Directors (the Board) in managing the funds of the foundation. The purpose of this Request for Proposal (RFP) is to describe the Board's perception of their requirements and to allow interested firms to competitively respond to these requirements. The Board will use responses to the RFP to select the most promising firms for oral presentations to the Board. The Board will select no more than three firms for oral presentations unless there are one or two firms that are clearly superior. In that case, fewer than three firms may be invited. The Board will select an Investment Manager based on the written proposals and the oral presentations.

Background. VSDB was established by an act of the Virginia General Assembly on March 31, 1838. It is located on E. Beverley Street, Staunton, VA, 24401. VSDB provides a quality education for students with sensory impairments. Each child is valued as a unique individual, treated with dignity, in an atmosphere where individual differences are celebrated. We endeavor to instill in all students the intrinsic value of learning.

The VSDB Foundation is a non-stock corporation duly formed under the provisions of the Virginia Non-stock Corporation Act, Chapter 10, Title 13.1 of the Code of Virginia. The purpose of the Foundation is to advance VSDB educational efforts by providing resources to enhance educational activities that support the needs of the students at VSDB and the larger community of potential students and graduates.

The Board is seeking an Asset Manager that can assist Board members in fulfilling their fiduciary duties of care, loyalty, and fidelity to purpose. Each of these duties must be carried out with the same degree of care exercised by a reasonable, prudent person in the same position as the members of the Board.

Section A: Specific Services

The Foundation currently has a \$3.5-3.8 million portfolio under professional management. The portfolio and its proceeds are the resources the Foundation uses to support VSDB. The Board perceives its responsibilities as preserving the value of the portfolio while growing its value by prudently investing commensurate with a reasonable risk profile. The Board also has a duty to use funds wisely by attempting to maximize value obtained for the use of funds. The Board also feels responsible to provide internal control processes to insure funds are received, managed, obligated, and expended compatible with the purpose of the Foundation.



The specific technical services that the Board needs to meet its responsibilities are in the following paragraphs. Offerors should respond by describing their ability and approach to provide these services, including any methodology or tools that they would use. The basic questions to be answered are:

What will the offeror do?

Who will perform the work that the offeror promises?

How will the offeror's people do the work?

Develop Investment Policy Statement (IPS). The Board understands that, under Federal and State law, it has a responsibility to prudently manage assets for the sole benefit of the Foundation. Prudent procedures include establishing an investment policy. A properly written IPS includes topics like the objectives, restrictions, funding requirements and general investment structure for the management of the Foundation assets, and provides the basis for evaluating investment results.

The Board requires an offeror that will work with Board representatives to develop an IPS that can help Board members communicate the Foundation's investment guidelines and procedures; provide a guide for making future investment decisions; and support a disciplined and systematic investment strategy to investment meet investment objectives.

The IPS should include the offeror's best judgment of the topics that should be included in the IPS. As a minimum, it should include investment goals, spending policy, and a risk profile.

Develop an investment portfolio compatible with the investment objectives and risk profile. The Board looks to its investment advisors for recommendations on a reasonable rate of return on its investments compatible with its risk profile. Offerors should discuss their approach to an asset allocation strategy and discuss any transactions that offerors believe should be avoided by the Foundation.

Manage portfolio performance. The Board will rely on its investment advisors for advisory, transaction, and custodial services for its portfolio. Offerors should explain how these services could be provided within respective offeror's business model. The Board also relies on its investment advisors for forecasts of changes in economic conditions and expects recommendations on changes in asset allocation that reflect changing economic conditions.

Donor services. The Board looks to increase the corpus of its endowment by assisting donors in finding effective ways to make their contributions. We need advisors to assist with appropriate investment vehicles and experience in developing solid relationships with donors.

Tax services and fund accounting. The Board currently employs a CPA but seeks support in identifying tax issues for donors and for the developing Foundations reports to the IRS. We also need support in addressing fund accounting to support making decisions regarding the best uses of limited resources

Section B: Experience

The Board considers a firm's experience and the experience and certifications of its advisors as useful measure to help us judge the performance risk inherent in an offeror's proposal. We ask that each offeror describe their experience and that of the people who will support us in performing the technical services we request.

Firm Experience. Describe at least three engagements in which your firm had supported similar technical services for Foundations like ours. If your firm has supported a Foundation with a similar mission support-

ing a similar school, please include that performance.

Advisor's Experience. Describe the experience and certifications of the people who will actually support the Foundation.

Section C: Fee Structure

The Board desires quality support for technical services; though, as prudent representatives of the Foundation, we also want to be responsible in using Foundation resources. Offerors should present fee schedules for advisory, custodial, and transactions services in a clear fashion so the Board can evaluate the total cost of service.

Instructions to Offerors

Responses to this RFP should be no longer than seven (7) pages and follow the outline of the three sections, A, B, and C. Describe your firm's approach to delivering the technical services described by discussing what your firm would do, who would perform the support, and how they would go about it. Discuss methodologies, processes, and tools you would use. The successful offeror will offer a clear description of how the Foundations support would be provided.

The second part of your proposal should address your firm's experience with similar technical services for entities like the Foundation and the experiences and certifications of the advisors and others who would support the Board. If your firm has experiences with unique organizations like VSDB, include those experiences in your proposal.

In the third part of your proposal, discuss your fee structure explicitly enough for the Board to estimate the costs of performance. If your firm does not offer all the services listed in the RFP, explain how you would organize a team to provide services and describe the fee structure you would use.

Responses to this RFP shall not exceed seven (7) pages, including cover letter, discussion and contact information. If your firm responded to the previously issued RFI and you believe your response conforms to the requirements in this RFP, you may indicate that you wish your response to the RFI to serve as your response to the RFP by notifying Vivian Jones-Smith at Vivian.jones-smith@vsdb.k12.va.us. Please submit any questions you have and responses to the RFP electronically to Vivian Jones-Smith at the same email address. Responses should be in MS Word or PDF without graphics. Responses should be submitted by **close of business Friday, August 10, 2012.**

A copy of this solicitation is available on the Foundation website at vsdbfoundation.org.

Evaluation Factors

Acting for the Foundation, the Board will make a single award to the offeror whose proposal is evaluated as representing the best value to the Foundation. The evaluation factors in descending order of importance are "Technical Services," "Experience" and "Fee structure". Technical Services are significantly more important than Experience and Fee Structure.

The factors listed below will be the basis of evaluation:

Technical Services	Experience	Fee Structure
Technical services provided	Firm experience	Transaction fees
Explanation of approach to providing services	Advisor experience	Advisory fees
Use of advisors	Experience with institutions like VSDB	Custodial fees

Evaluation Criteria. We will evaluate proposals for each technical service requested, the components of experience, and the total fee structure.

Technical Services. The following rubric will be used for the factors associated with providing technical services.

Rating	Definition
Exceptional	The proposal contains major technical strengths, or innovations that should substantially benefit technical performance. There are no weaknesses.
Good	The proposal has major technical strengths, and/or numerous minor technical strengths that indicate the proposed technical approach will benefit the program. Weaknesses, if any, are minor and are more than offset by strengths.
Acceptable	The proposal presents an adequate understanding of the program technical requirements. There are few, if any, major or minor technical strengths to benefit the technical approach. Strengths and weakness offset each other.
Marginal	The proposal presents a superficial or vague understanding of the technical requirements. The proposal has weaknesses that are not offset by strengths.
Unacceptable	Fails to meet one or more of the specified performance capabilities.

Experience. The Board will use the experience of each offeror to evaluate performance risk associated with it relates to the probability of providing technical service. The following Risk Ratings will be applied to the experience of the firm as a whole and the people who will actually support the Foundation.

Rating	Definition
Low	The experience of the firm and advisors are exceptionally matched with the requirements of the Foundation. Low risk of successful performance.
Average	The experience of the firm and advisors are well matched with the requirements of the Foundation. Some risk of successful performance.
Acceptable	The experience of the firm and advisors are fairly well matched with the requirements of the Foundation. Acceptable risk of successful performance.
High	The experience of the firm and advisors are not well matched with the requirements of the Foundation. High risk of unsuccessful performance.
Unacceptable	The experience of the firm and advisors do not match the requirements of the Foundation. Risk of unsuccessful performance is unacceptable.

Fee Structure. The Board will use the fee structure to evaluate the affordability of support. The Board will evaluate fee structure by ranking responses in order of total cost of performance from lowest to highest. The lowest cost will not necessarily support an award. The Board will adjust costs for price reasonableness, if necessary.