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Request for Proposals

Investment Fund Management

For

Neighborhood Legal Services Program of the District of Columbia (NLSP)
The Tom Williamson Endowment

RFP Release Date: July 8, 2022

RFP Submittal Deadline: August 5, 2022

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I. INTRODUCTION

NLSP is soliciting proposals from qualified investment consultant firms to provide services as described herein. The selected consultant firm's objective will be to assist the NLSP Board of Directors and management staff in developing and carrying out investment policies and strategies that are designed to ensure sufficient funding for NLSP operations and initiatives.

NLSP is soliciting proposals from investment firms that can provide:

- Broad investment expertise including advice on an investment policy for the endowment,
- Access to asset classes or specialty areas relating to investments which are otherwise not available to NLSP, and
- A full range of investment services

In addition to the detailed criteria below, NLSP wishes to emphasize the following requirements for consideration:

- All fees for services are described and inclusive with services provided
- All reporting will demonstrate portfolio performance that is NET of all fees.
- No upfront or custodial fees will be charged.
- No moves between fund managers will occur without NLSP's consent.
- No cost will be incurred for moves between fund managers

II. BACKGROUND:

Founded in 1964, NLSP has been providing free, high-quality civil legal services to thousands of low-income residents of the District of Columbia. Our work secures critically needed support for the most vulnerable among us, including shelter, adequate nutrition and income, access to healthcare and freedom from financial exploitation and violence. Our work is based on strong community connections which enable us to identify the barriers facing low-income residents of DC and respond with assistance that provides lasting benefits for our clients and secures results to improve the lives of many.

The objective for establishing the endowment is to provide a permanent source of operational funding for NLSP, to reduce reliance upon continuation grant funding or donor based financial support during especially difficult economic times. The proceeds from the endowment are specifically intended to support the Director of Litigation and Advocacy and associated costs with any excess endowment funds providing sustainability for program operations while providing a firm financial foundation for the future. Pursuant to the intent of the NLSP Board of Directors, the principal of the endowment is intended for investment purposes only. Dividends provided by the portfolio will become the anticipated funding source. The endowment principal is expected to grow throughout the investment in both gains achieved in the portfolio as well as continued donor support. It is anticipated that the principal of the investment will not be used except upon Board approval to support the Director of Litigation and

Advocacy or during conditions of extreme financial need with the approval of Covington & Burling, LLP in accordance with its gift letter. It is NLSP's primary concern to protect the principal invested in the portfolio. NLSP operates with a generally conservative tolerance of risk. Investments in aggressive, alternative or hedge funds are typically avoided, preferring long term modest gain in favor of higher immediate returns. The timeframe for the portfolio is anticipated to be in perpetuity and continue to provide sustainable returns throughout an indefinite time horizon.

As of the issue date of July 8, 2022, assets of \$1,176,904 are immediately available for investment.

III. SCOPE OF SERVICES:

NLSP is seeking investment consultation and services to assist in the selection, monitoring, and evaluation of the NLSP Endowment Fund. NLSP will continue its fiduciary duty to set policy and manage the investment policies established by the Board of Directors, regarding the endowment fund. NLSP understands that to obtain the best investment return with the least amount of risk requires extensive expertise. Therefore, NLSP seeks services including but not limited to:

- Assistance in developing Investment Policy and Procedures and recommendations to the Board of Directors.
- Recommendation of the best asset allocations consistent with NLSP investment policy.
- Reporting of asset plan performance, inclusive of individual fund allocation as well as total fund. Reporting should also include detailed analysis, return attribution, and portfolio characteristics, risk, and peer universe comparison relative to benchmarks established in the Investment policy. The reporting provided by the Investment Advisor shall produce reports that are net of all fees.
- Consultant research and analysis for necessary due diligence on investment markets to ensure optimal performance, including coordination with NLSP regarding the selection, retention and dismissal of investment and research professionals.

IV. PROPOSAL SPECIFICATIONS:

RFP Response Deadline: August 5, 2022, by 5:00 p.m.

Completed responses must be received by NLSP on or before August 5, 2022, 5:00 p.m. Responses not received by the deadline time will not be considered. Faxed or other electronic submissions will not be accepted. A single PDF copy should be submitted to:

Kathy Hollins Fields, Director of Finance and Administration
Neighborhood Legal Services Program of the District of Columbia at
khollins@nlsp.org

All responses should include the restatement of questions presented in Sections VIII, IX and X of this RFP followed by the respondent's applicable answer. The response must also be accompanied by a cover letter signed by at least one individual, including their title, who is authorized to bind the firm contractually.

Firms which intend to submit a response to this RFP should not communicate directly or indirectly with any member of the NLSP Board of Directors or staff. An exception shall be allowed for any firm currently doing business with NLSP, but communication shall be limited to that business only and shall not encompass any aspect of this RFP.

Questions relating to this RFP shall be received in writing on or before July 22, 2022, at 5:00 p.m. (EST). E-mails may be sent to khollins@nlsp.org.

V. SELECTION PROCESS

Selection of Investment Consultant Firm

The Investment Committee will evaluate responses, schedule interviews, and make a recommendation to the full Board. NLSP may conduct due diligence to verify information provided by the respondent and may consider any information it deems relevant to the selection process. The NLSP Investment Committee may also contact a respondent Firm for clarification of services and fees if necessary. It is anticipated that the Board of Directors will consider the Investment Committee's recommended selection on or before September 21, 2022. NLSP expects to notify the selected Firm on or about September 21, 2022. The selection of an investment adviser shall be determined by NLSP in its sole discretion. NLSP reserves the right to reject any and all responses.

VI. CRITERIA

Minimum Qualifications: To be eligible, Respondents must:

1. Be an SEC registered investment advisor under the Investment Company Act of 1940
2. Agree to serve as a "fiduciary" with respect to NLSP's endowment fund.
3. Provide that all management fees will be inclusive; and that no upfront or custodial fees will be charged; and that no cost will be incurred if a move between fund managers is made.
4. Provide that all reporting will show portfolio balances that are NET of all fees.
5. Have been in continuous business for a minimum of 10 years, with the current principals of the firm individually possessing at least 10 years of experience with institutional clients at an investment consulting firm.
6. Employ a team (more than one person) or a department dedicated to investment manager research and analysis.

7. Have an individual professional with a minimum of 7 years' experience as a licensed, professional investment advisor in the investment consulting field assigned to NLSP.
8. Ensure any replacement(s) of professional advisor staff have at least the same experience in the investment consulting field as the staff being replaced; and
9. Disclose all conflicts of interest (no matter how remote).

Consideration will be given to responding firms that demonstrate, but are not limited to the following:

- Stability and experience as a firm in the investment consulting industry.
- Stability and experience of the personnel of the responding firm.
- Depth of knowledge and resources available to the responding firm regarding investment services.
- Investment activities that are coordinated and consistent with NLSP investment philosophy
- The proposed fee structure (including all subsequent changes) is clearly described before services are provided.
- All management fees are inclusive in services and easily identifiable in the fee structure
- No upfront or custodial fees will be charged for services.
- No cost will be incurred for any change or move between fund managers.

VII. REPRESENTATIONS AND WARRANTIES:

- Respondent warrants that it meets or exceeds the minimum qualifications described in this RFP.
- Respondent warrants that it will not delegate its fiduciary duties.
- Respondent warrants that it is duly licensed and registered with all local, state and federal authorities, and possesses all applicable licensure to provide services described in this RFP.
- Respondent warrants that it has not, nor will it, pay and has not as of the time of submitting this RFP, nor will it, give any remuneration of any kind, directly or indirectly, to any Board member, officer, employee, agent or any third party of NLSP with respect to the submission of this RFP.
- Respondent warrants that it abides by established, documented ethics and conflict of interest policies and procedures and proper internal controls that can be provided to NLSP upon request.

NLSP makes no representations or warranties, expressed or implied, as to the accuracy or completeness of the information in the RFP and nothing contained herein shall be construed to be or relied upon as a promise or representation, whether as to the past or the future.

VIII. QUESTIONNAIRE:

Responses to the following questions should repeat the question followed by the respondent's applicable answer. Except where requested below to submit an ancillary document, please limit the responses to each question to no more than ½ page, single spaced 12-point font. Pre-printed material that answers the question and satisfies the size limit criteria may be submitted.

1. Firm Profile: Please include Firm history and current address.
2. Please provide the firm's most recent ADV Parts 1 and 2A.
3. Please list the Services provided by the Firm.
4. Does the firm have Errors & Omissions coverage? If so, please provide the policy period, limits, and deductibles. Please list any other fiduciary insurance maintained by the firm.
5. Please list the firm's significant organizational developments over last five (5) years.
6. Please list the number of accounts gained over last five (5) years, and the number of accounts lost over the same period.
7. Please describe any pending or past litigation within the last five (5) years.
8. Does the firm have any knowledge of any threatened litigation?
9. Please list the current total of assets under the Firm's investment advisory management.
10. Please provide the total of endowment assets managed by the Firm.
11. Please describe the Firm's experience managing endowments generally, and specifically of managing endowments of comparable size and purposes to the NLSP.
12. Please provide no more than three (3) references from clients with current endowment assets managed by the Firm.
13. Please list all professional advisor staff gained and lost over last five (5) years. For any staff that has been lost, please identify any staff involuntarily separated from the Firm.
14. Does the Firm have a minimum size for separate accounts? If so, please state the minimum requirements.
15. Does the Firm use independent, nonemployee consultants or researchers? If so, please identify and provide a brief biographical history of their respective experience.
16. Does the Firm have an investment policy committee experienced with endowments?
17. Does the Firm have a Performance measurement policy? If so, please state the policy.
18. Please summarize the Firm's investment philosophy, and any changes that have been made to this policy over last three (3) years.

IX. SERVICES

1. Please list all standard services provided by the Firm in a typical investment management relationship. Please include the Firm's endowment management philosophy.
2. Please describe the Firm's process for analyzing a client's existing investment policy. Please describe the Firm's method for recommending modification and monitoring of the policy.

3. Please describe the Firm's asset/liability modeling capability and portfolio structure analysis. Please describe the manner in which the Firm would assist NLSP in recommending changes to the asset matrix.
4. Please describe the Firm's process for evaluating a client's investment performance and how and when this is traditionally communicated to the client.
5. Describe the types of qualitative and quantitative factors the Firm uses in evaluating the portfolio managers.
6. How many professional investment advisors does the Firm currently employ?
7. Please provide a sample investment performance report.
8. Does the Firm provide training for NLSP Board Members or staff about their fiduciary responsibilities regarding the NLSP endowment fund?
9. Does the Firm engage in large scale investment opportunities, as a participant, which are made available to the Firm's clients?
10. Does the Firm provide custodial services?
11. Describe the process the Firm would use to transition NLSP to becoming a Firm client.
12. Please provide a copy of the Firm's standard investment advisory agreement for use with non-profit clients.

X. FEES

1. Please outline the Firm's fee structure.
2. Please describe all Start up fees charged or assessed by the Firm, as well as any fees for electronic monitoring.
3. Please describe if statements and reports are generated monthly, quarterly or annually and please provide a sample statement.
4. Please describe the reporting provided to Firm client's that shows portfolio performance that is net of all fees.
5. Please describe how the Firms' investment managers are compensated.

XI. TERMS AND CONDITIONS

The RFP does not purport to contain all information that may be required to evaluate the RFP and any recipient hereof should conduct its own independent analysis of NLSP prior to responding to the RFP. This RFP may be withdrawn, modified, or re-circulated at any time by NLSP. NLSP reserves the right, and at its sole discretion, to alter this RFP, or any criteria used for consideration, at any time without notice. NLSP is under no obligation to accept, review, consider or reply to any response to the RFP and any response provided to this RFP becomes the property of NLSP. This RFP is not an offer, but a request to receive responses and does not create any binding agreement. Responses to the RFP will be considered valid for one year from the date of receipt by NLSP. NLSP is not responsible for any cost incurred in the provision of any

response to the RFP and will not reimburse any respondent for their submission. Any and all expenses related to the production of a response to this RFP are the sole responsibility of the Respondent.