

**Massachusetts College of Art and Design RFP 25-02**  
**Investment Management Services**  
**Attachment # 1 - Specifications and Description of Services**

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## SECTION 1: INTRODUCTION

Founded in 1873, MassArt is the only freestanding public college of art and design in the United States. The College excels in the education of professional artists, designers, and art educators and is an integral contributor to the cultural and intellectual life and creative economy of the Greater Boston region, the Commonwealth of Massachusetts, and beyond. Located in Boston's hub of arts and culture along the Avenue of the Arts, MassArt enrolls nearly 2,000 students and offers a comprehensive range of 18 undergraduate majors, 9 graduate degree programs, and 4 certificate programs, as well as youth and continuing education programs.

The College is committed to community engagement as a significant component of its mission, and teaches its students to be engaged citizens as well as artists, designers, and educators through its curricular and extracurricular offerings. As the Commonwealth's art and design college, MassArt is also a rich resource for public programs, including innovative museum exhibitions, lectures, and events in the MassArt Art Museum, Boston's only free contemporary art museum; youth art programs that service hundreds of Boston Public Schools and Greater Boston students, ages elementary through high school; community arts partnerships and civic engagement initiatives; and professional development opportunities for educators, artists, designers, and the general public.

MassArt attracts a diverse full- and part-time student body, with a Fall 2023 enrollment of 1,921 students (1,741 undergraduate students, 108 graduate students, and the balance in certificate or continuing education programs). Bachelor of Fine Arts degree programs include: Animation, Architectural Design, Art Education, Ceramics, Communication Design, Fashion Design, Fibers, Film/Video, Glass, History of Art, Illustration, Industrial Design, Jewelry and Metalsmithing, Painting, Photography, Printmaking, Sculpture, and Studio for Interrelated Media (SIM). Graduate programs lead to the following professional degrees: Master of Architecture, MAT/MA/MEd: Art Education, Master of Design Innovation, MFA: 2D Fine Arts, MFA: 3D Fine Arts, MFA: Design (Dynamic Media Institute), MFA: Film/Video, MFA Fine Arts (Low Residency), MFA: Photography. Certificate programs offered include Fashion Design, Furniture Design, Graphic Design, and Industrial Design.

Among the undergraduate students who entered MassArt in Fall 2023, 74% came from Massachusetts, 11% from other New England states, and 14% from other U.S. and international locations. MassArt sustains high graduation rates (69%) and offers excellent student support services for all four years through its Academic Resource Center and its Compass program dedicated to supporting first-generation college students. The student-faculty ratio is 10:1 with 279 faculty members, 119 full-time and 190 part-time or adjunct faculty who are all practicing artists, designers, educators, and scholars. MassArt's faculty, its extensive studios, the wealth of resources in its arts library, and the breadth of its curriculum are widely considered to be among the best in the nation.

The University investment policy was updated in the Spring of 2024. The final selection of the asset management firm(s) for the MassArt portfolio rests with the Investment Policy Group of the Administration and Finance Committee of the Board of Trustees. The selection process will be heavily based on the ability of perspective asset managers to assist the University in its goal of optimizing total investment returns while limiting and controlling downside risk by providing dynamic asset management capabilities that are principled, tactical, and transparent and easy to aggregate and report on in a timely and accurate manner.

## **Instructions and Notifications to Offers**

1. Potential vendors are advised to review all sections of this RFP carefully and to follow instructions completely as failure to make a complete submission as described herein may result in rejection of the proposal.
2. Alternative approaches and/or methodologies to accomplish the desired or intended results of this procurement are welcomed. However, proposals that depart from or materially alter the terms, requirements or scope of work defined by this RFP may be rejected as being non-responsive.
3. All costs associated with developing or submitting a proposal in response to this RFP or to provide oral or written clarification of its content shall be borne by the vendor.
4. All pricing submitted is considered to be firm and fixed unless otherwise indicated herein.
5. Proposals misdirected to other locations, or which are otherwise not emailed to MassArt Purchasing at the time of opening for any cause will be determined to be late and may not be considered.
6. The MassArt Investment Advisory Group will award the contract to the bidder offering the most advantageous proposal, taking into consideration all evaluation criteria as well as price.
7. It is intended that an award pursuant to this RFP will be made to the most advantageous bidder who will assume responsibility for all aspects of the work. Joint venture and cooperative proposals will not be considered. Subcontracts are permitted, provided that their use is clearly indicated in the vendor's proposal and the subcontractor(s) to be used is identified in the proposal.
8. After review of the proposals, MassArt, at its discretion, may require presentations with selected finalist for the purpose of further evaluation of the proposer's qualifications and ability to provide the required services. MassArt is not liable for any expense incurred as the result of a vendor presentation. Written responses must be complete in all aspects as oral presentations may not be scheduled.

## **SECTION 2: FIRM OVERVIEW**

1. Please provide the legal name, address, and contact information for your firm.
2. Describe your experience, including duration, with nonprofit organizations. How many nonprofit clients do you currently manage that are similar to us in terms of asset size and type? Please describe potential conflicts of interest.

3. Please describe your executive leadership, investment personnel and client service teams to include biographies and professional backgrounds, designations, and clientele.
4. What are the total assets under management (AUM) with your firm? The total AUM with your team?
5. Please provide your firms, or parent company's, credit rating and or other indication of credit quality.
6. What are your capabilities with alternative investments and ability to assume alternatives already in place? How do ESG investments factor into your strategies?
7. What portion of your firm's assets are represented by the total Outsource Chief Investment Officer (OCIO)? What portion of your team's assets are OCIO?
8. What portion of revenue is derived from investment manager teams?
9. Please provide the following information about your team's AUM:

Asset Class	Firm Assets (\$)	% of Firm Total Assets	Discretionary OCIO AUM (\$)	% of Discretionary OCIO AUM
Equity – Traditional				
Fixed Income – Traditional				
Hedge Strategies				
Private Alternatives				
Real Assets				
Cash and Equivalents				
Total				

10. How many professionals will support the MCA business? Please provide average tenure and years of experience.

Full Time Employees	Number
Investment Professionals	
OCIO Professionals	
Client Service and Sales	
Marketing	
Legal and Compliance	
Accounting	
Information Tech, Operations, Finance	
Risk Management	
Human Resources	
Total	

11. Segment your client base at the firm and outsourced levels as of 5/31/24 as follows:

Client Type	# of Firm Clients	Firm Client AUM (\$)	% of Firm Total Assets	# of OCIO Clients	OCIO Client AUM (\$)	% of OCIO Total Assets
Educational Endowments						
Foundations						
Healthcare						
High Net Worth Clients						
Family Offices						
Other						
Total						

12. Please describe your sources of revenue. Do you share revenue or receive revenue from any source other than asset management services? If so, please describe:

Category	Revenue (\$)	Revenue (%)
Management Fees		
Incentive Fees		
Trading and proprietary fund Fees		
Other		
Total Revenue		

**SECTION 3: INVESTMENT POLICY STATEMENT**

1. Describe your firm's investment philosophy and process.
2. Does your firm advise on the formulation of written investment goals and policies.
3. Please submit a sample investment policy statement for the College's portfolio and examples of the asset allocation and various instruments that would be employed.
4. Detail your due diligence and manager search capabilities. Describe your ability and experience gaining access to capacity constrained managers and explain your allocation policy for capacity constrained investment opportunities.
5. Does your firm maintain a database of investment managers? If so, is the performance of such investment managers tracked on a real-time basis?
6. Describe in detail the firm's depth and experience in researching, selecting, and monitoring managers in alternative asset classes, such as hedge funds, private equity, real estate, distressed debt and commodities.

7. Describe how you will work with the Investment Advisory Group and staff to develop an effective asset allocation structure.
8. Describe how you would respond to market volatility, communications with staff and the committee and decisions surrounding re-allocation discussions.
9. Describe how you design portfolios for clients, including the types of investment vehicles used and whether you recommend and/or employ proprietary products. Please include your firm's experience in identifying, evaluating and recommendations pertaining to alternative investments.
10. Describe how you could incorporate values based investment strategies in portfolios and if you have the capacity to screen and/or include values based criteria into stock selection processes.
11. Please describe what process would be involved if a component unit's assets were to be added to this contract at some point in the future. How would you address any differences in the investment policy goals, types of products, donor requirements, etc? If there would be pricing advantages - please describe.
12. Describe your experience working with multiple investment managers.
13. Active vs Passive Management: If you intend to use active management, please describe how you believe it is superior to passive management. If you intend to use passive management, please describe how you believe it is superior to active management.

#### **SECTION 4: RISK MANAGEMENT**

1. Describe your investment risk management process.
2. How do you measure the risk of your client's portfolios? Do you utilize options? Margin? Futures?
3. **Please provide the firm's most recent service organization auditor's report over internal controls for your firm's systems, for the custodial trust funds, for your performance reporting funds and any other applicable systems/modules. The SSAE 16 Service Organization Controls Reports will refer to the suitability of the design and operating effectiveness of your controls.**

#### **SECTION 5: TECHNOLOGY PLATFORMS**

1. Explain what dynamic trading platforms (e.g., Folio Dynamix, Envestnet/Tamarac, etc.) your firm uses to model and trade client accounts.
2. Does your portfolio trading platform enable seamless integration into various investment managers (SMAs, etc.) outside of your in-house proprietary products? Explain how this is complemented and monitored by your investment team.

3. Does your technology platform / custodian enable your clients to participate in the investment manager selection process? If so, please offer examples of how this process gets implemented.
4. Explain the tools and processes that you use to aggregate and summarize data from investment managers on a daily, weekly, monthly, or quarterly basis. Are these tools/processes also used for performance reporting? Explain.
5. Explain how portfolio holdings that are held at different custodians get integrated into your consolidated portfolio reporting systems. Does your firm prefer assets held with a single custodian? If not, explain how products/assets held away are integrated, uploaded and tracked in your consolidated reporting package. With which institution does your firm typically custody your clients' assets?

## SECTION 6: PERFORMANCE

1. Asset Allocation - The University's primary goal is for the portfolio to achieve and maintain an average annual total investment return of at least the minimum spend rate **of 4% plus inflation** (as measured by the CPI) net of all investment management fees and expenses. For purposes of this objective, a rolling 5-calendar year average shall be used for rate of return, spend rate, inflation, and expenses. Please describe how you would allocate and invest the \$20-25 million portfolio:

Domestic Equities:

International Equities:

Domestic Fixed Income:

International Fixed Income:

Alternative Investments:

Cash and equivalents:

Provide 1, 3 and 5-year return and risk expectations for the portfolio designed. Include strategic asset allocation (by traditional asset class or other segmentation as you choose), types of managers within each segment, and specific examples of managers. Include any portfolio elements you deem useful, including passive exposures; active long only strategies; hedge funds; primary and secondary investments of private equity, etc. You may implement the portfolio with 100% proprietarily managed strategies, 100% externally sourced strategies, or any combination of the two.

2. Provide peer client and aspirational client performance for the University. Provide size and type of institution of each client and their benchmark.
3. For clients for similar returns on objectives as described in section 1, please provide composite historic performance to include 1, 3, and 5-year as of 12/31/2023. Please provide the 1, 3, and 5-year annualized returns (as available) against appropriate benchmark returns and 5 and 10-

year standard deviation and Sharpe ratios for the investment programs(s) above. Please present returns net of investment management/advisory fees.

4. Does your firm maintain a composite benchmark in your portfolio management systems (i.e., a “performance budget”) that gets reconciled to your strategies’ actual performance by asset class and sub-components? How is this presented to the client in your performance reporting package? Please provide a sample of such report.
5. Explain how your firm monitors and tracks fluctuation in asset classes versus the investment policy statement (i.e, performance drift). Is this tracked daily, monthly, or quarterly? How is the portfolio traded to bring it back within policy limits if necessary? Please provide a sample of such a report.
6. What performance standards does your firm use (GIPS, etc.)?

**SECTION 7: FEES AND COMPENSATION**

1. What is your advisory fee for services rendered? Do you allocate to managers that also charge a fee? Do you allocate mutual funds and or ETFs that charge a fee?
2. Describe all other fees that may apply.
3. What are the total fees that you or managers you work with charge to the University for the portfolio designed above? Please provide fee allocation in the table below:

Category	(%)
Advisory Fee	
Manager/Fund Fees	
Commingled/Partnership Expenses	
Other (custody, tax, audit, etc.)	
Total	

4. Is an alternate fee structure available (e.g., base fee plus incentive fee option)?
5. Please describe how your investment personnel and client service teams are compensated.

**SECTION 8: CLIENT SERVICE AND REPORTING**

1. Describe your client service roles and responsibilities.
2. Describe your ability to provide consolidated portfolio reporting and how that reporting is provided. Please provide a sample of such a report.



3. Describe your ability to participate in quarterly investment performance meetings and monthly conference calls.
4. Describe other services you provide to nonprofit institutions, such as web-based reporting and back-office support, etc.
5. Describe the educational materials and programs available to clients.
6. Describe your process to monitor client satisfaction.
7. What are your competitive or distinctive advantages?
8. If not described somewhere else within this document, how do you help support your clients' endowments, fundraising and other non-investment activities? Are there any value-added attributes of your firm?
9. Why is your firm the best option for the MCA? Please share any additional information you feel is relevant including awards and recognitions.
10. Provide three client references that we may contact.

## **SECTION 9: DATES OF PERFORMANCE**

The term of services requested will be for the period of when the Commonwealth of Massachusetts contract is executed (approximately **September 2024**) until **September 30, 2027**. MassArt reserves the right to extend the contract for up to two additional twelve month periods with the same terms and conditions. Any changes must be agreed upon in writing. MassArt also reserves the right to cancel the agreement without cause prior to the ending date by giving thirty (30) days written notice to the vendor.

## **SECTION 10: EVALUATION CRITERIA**

### Minimum Evaluation Criteria:

Each proposal shall first be reviewed to ascertain whether the following minimum criteria have been met:

1. Each proposal must be received by the time and date established under this RFP.
2. The proposal must include all items listed in Section 2 through Section 8 of this RFP to be considered a complete proposal therefore warranting comparative evaluation.
3. Proposers must be in the field of providing services related to the Scope of Services of this RFP.

4. Exhibit A: Proposer Representations.

Exhibit B: Affidavit of State Tax Compliance.

Comparative Evaluation Criteria:

Each proposal meeting the Minimum Evaluation Criteria shall be rated according to the following Comparative Evaluation Criteria, in no particular order.

1. Relevant experience in investment management services for college, university or related community foundations comparable to MassArt.
2. Demonstrated performance in investment management services for college, university or related community foundations comparable to MassArt.
3. Specific qualifications and experience of the principal(s) and subordinate team members to be assigned.
4. Ability to advise, communicate and provide exceptional services to the Investment Policy Group and staff.
5. Proposed fee structure for the services requested.

**SECTION 11: QUESTIONS**

Any questions regarding the bid must be submitted in writing to [purchasing@massart.edu](mailto:purchasing@massart.edu) by July 31, 2024 at 11:59 PM EST. Please include Investment Management Services RFP 25-02 in the subject of your email.

**SECTION 12: PROPOSAL SUBMISSION**

Bids must be submitted electronically by emailing proposals to [purchasing@massart.edu](mailto:purchasing@massart.edu) by August 9, 2024 at 3:00 PM EST. Your electronic file should not exceed 10 megabytes. Subject line in your email should reference RFP 25-02, Investment Management Services for Massachusetts College of Art and Design. No paper or fax copies will be accepted.

*NOTE: proposals received after the above-referenced due date and time will not be considered.*

**Thank you for your interest in working with us and for the time and effort that you put into your submission.**

**Exhibit A: PROPOSER REPRESENTATIONS (Include Completed Form in Proposal)**

Each Proposer by making its proposal represents that:

1. The proposal document and requirements have been read and understood by the proposer.
2. The proposal is based upon the items described in the RFP documents and requirements without exception.
3. Pursuant to Massachusetts General Law, Chapter 7, Section 22 (20), I certify under penalties of perjury that this proposal is in all respects bona fide, fair, and made without collusion or fraud with any person. As used in this certification the word "person" means any natural person, joint venture, partnership, corporation or other business or legal entity.
4. The contents of the proposal have not been disclosed by the proposer nor to the best of its knowledge and belief, by any of its employees or agents, to any person not an employee or agent of the proposer, or its surety on any bond furnished herewith, and will not be disclosed to any such person prior to the opening of proposals.
5. No attempt has been made or will be made to induce any other person or firm not to submit a proposal.
6. The proposer hereby agrees to furnish the services pursuant to all requirements and specifications contained in this document.
7. The proposer further agrees that the language of this document shall govern in the event of a conflict with the proposer's proposal.

By: \_\_\_\_\_  
**Authorized Signature**

\_\_\_\_\_  
**Print Name** **Title**

\_\_\_\_\_  
**Company Name**

\_\_\_\_\_  
**Street Address**

\_\_\_\_\_  
**City, State, Zip Code**

\_\_\_\_\_  
**Phone**

**Exhibit B: AFFIDAVIT OF STATE TAX COMPLIANCE (Include Completed Form with Proposal)**

Pursuant to Massachusetts General Laws, Chapter 62C Section 49A, Clause (B), added by Section 36 of Chapter 233 of 1983:

(Name of Person Representing Company/Firm): \_\_\_\_\_,

for (Name of Company/Firm): \_\_\_\_\_,

Whose principal place of business is located at

Company Address: \_\_\_\_\_

Do hereby certify under the pains and penalties of perjury that the above mentioned named contractor has complied with all laws of the Commonwealth of Massachusetts relating to taxes.

Authorized Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

End of RFP