



**Louisiana Housing Council, Inc. Group Self Insurance
Risk Management Agency**

REQUEST FOR PROPOSALS

INVESTMENT & BANKING SERVICES

RFP Number: 2024-005

RFP Release Date: March 13, 2024

Deadline for Submission of Questions: 5:00 PM CST on April 1, 2024

Answers to RFP Questions Provided to all Proposers: April 5, 2024

Proposal Submission Due: 5:00 PM CST on April 15, 2024

Evaluation of Proposals: April 16-19, 2024

Award of Contract: May 1, 2024

Consider this a request for proposals for the Louisiana Housing Council Group Self Insurance Risk Management Agency (LHCIRMA and potential RMO) for proposals to handle the Funds' investment and banking services.

BACKGROUND:

LHCIRMA's Self Insurance Funds (SIF) has a long standing relationship with Gallagher as administrator. In partnership, we created very successful risk retention insurance programs for Property, General Liability, Public Official Liability and Employee Benefits. Workers' Compensation is currently written on a first dollar basis, though this could change to self-insurance at any annual renewal. Louisiana Public Housing Authorities pool certain risks together and transfer risk via master policies by line of coverage. These master policies typically have large retentions that could not be borne by an individual housing authority. Using spread of risk principles however, the collective group can manage such retentions. Based on the success of the program, these loss funds have increased over the past years. The funds have used the retained earnings to declare dividends back to membership over time contributing to the success of the program.

With the exception of Workers' Compensation, Auto Liability, Equipment Breakdown and Terrorism, each line of coverage mentioned above currently has both an investment and operating account. Workers' Compensation only has an investment account. The investment accounts have very little activity; LHC IRMA's investment policy is provided as part of this RFP. The operating accounts are demand deposit accounts that average 5-10 deposits a month and 10-15 withdrawals monthly. Most of the withdrawals are done by ACH where available.

In 2022, the State legislature enacted Chapter 15-B of Title 33 of the Louisiana Revised Statutes of 1950, comprised of La R.S. 33:5081 through 5089, which authorized the inception of a Risk Management Organization (RMO). The RMO will allow for the pooling of affordable housing risks of affiliates and subsidiaries of local PHAs. The proposed effective date is May 1, 2024. Formal authorization from the Louisiana Department of Insurance is pending. The new program will be overseen by the same LHCIRMA leadership that oversees the IRMA. The LHCIRMA vendors will be asked to perform similar work, by line of coverage for the RMO. It is the intent of this request that you respond to this RFP specific to the IRMA, with a second option provided for the RMO.

I. FIRM OVERVIEW

- (a) Please provide a brief history from inception of your firm and any parent organization(s).**
- (b) Over the past five years has the firm, any primary consultant, or any other officer or principal been involved in any business litigation, regulatory, or other legal proceedings or government investigation involving allegations of fraud, negligence, criminal activity, or breach of fiduciary duty relating to investment consulting, advisory or management activities? If so, please describe the case, provide an explanation, and indicate the status.**
- (c) Please provide a breakdown of firm wide assets by assets under advisement as of 12/31/2022**
- (d) Please provide a proposed staff break down, investment professionals, client service, administrative, etc. as it pertains to this RFP.**
- (e) Please provide approximate percentage of assets managed by your primary client industry.**
- (f) Describe your experience with non-profit and governmental organizations.**
- (g) What characteristics distinguish your firm from your competitors?**
- (h) Is your firm a registered investment advisor under the Investment Advisors Act of 1940?**

II. ADVISORY SERVICES

- (a) Describe your advisory philosophy.**

- (b) How do you measure your firm's performance in helping clients meet their objectives?**
- (c) Do you provide market updates and other publications? Please detail.**

III. INVESTMENT PHILOSOPHY AND PROCESS

- (a) Describe your firm's investment philosophy and process.**
- (b) Discuss your philosophy of fiduciary responsibility and stewardship obligations.**
- (c) Describe your firm's view of the division of roles and responsibilities among your clients' investment committee, staff, and firm.**
- (d) Describe the process you will use to assist the LHC SIF and potentially the RMA in the development of their investment policies, spending policies, and overall investment goals and objectives.**

IV. RISK MANAGEMENT

- (a) Describe your firm's risk management philosophy and process. Please also describe the types of risk reporting you provide to your clients.**
- (b) What level of transparency do you receive from underlying managers (i.e., security level positions, counterparty exposure, etc.) both in traditional and alternative asset classes?**

V. ASSET ALLOCATION

- (a) Describe how you will work with our organization to develop asset allocation and maturity of investment recommendations.
- (b) Discuss your philosophy of diversifying assets according to different investment styles.
- (c) Describe what your policy would be for recommending changes to LHC SIF's and RMA's asset allocation and maturity of investments in response to changes in the market environment. How active is your consulting approach in this regard?

VI. CUSTODY OF ASSETS

- (a) Does your firm or an affiliate organization provide asset custody and brokerage services?
- (b) Please confirm that all assets of LHC SIF and RMO can be securitized at all times as required by law.

VII. INSURANCE AND LIABILITY

- (a) Describe the limits of coverage for errors and omissions insurance, fiduciary, cyber and professional liability insurance your firm carries. Confirm that if chosen as the successful respondent that you will provide a Certificate of Insurance to the LHCIRMA and RMO confirming the coverages mentioned above. Please include all relevant details that would apply to this proposal to provide consulting services.

VIII. CONFLICTS OF INTEREST

- (a) Please describe all potential conflicts of interest.
- (b) How does your firm identify and manage conflicts of interest?

(c) List and describe any professional or other relationship you have had with the Louisiana Housing Council, Inc. or any of its members over the past three years.

(d) Please describe your client entertainment, donation and gifts policy.

IX. ACCOUNT STRUCTURE

(a) Please provide your proposed fee structure providing details on all levels of fees and expenses charged to your clients. If applicable, fees should be inclusive of all investment management, advisory and custodial services.

(b) Please provide your proposed account structure to meet the needs of LHC SIF and potentially the RMO. Please also describe the tools available either on line or otherwise to afford LHC SIF staff, RMO and administrators the ability to pay vendors, transfer funds between accounts, review transactions, and make deposits. Please also describe any transaction or access charges that would apply.

(c) Please confirm your availability for in-person meetings with the Committee responsible for the Funds described within this Request for Proposals.

X. REFERENCES

Please include three references including contact information. Public and non-profit client references are preferred. Provide dates of service with the client, the entity's name your firm served, the contact person's name and title, contact information for the reference and brief description of scope of services.

XI. RESERVATION OF RIGHTS

The LHCIRMA reserves the following rights in association with this RFP process and upon contract award:

1. **Right to Reject, Waive, or Terminate the RFP.** Reject any or all proposals, or terminate the RFP process at any time, if deemed by the LHCIRMA, to be in its best interests.

2. **Right to Not Award.** Not to award a contract pursuant to this RFP.
3. **Right to Terminate.** Terminate a contract award pursuant to this RFP, at any time for the LHCIRMA's convenience, upon 10 days written notice to the successful proposer(s).
4. **Right to Determine Time and Location.** Determine the days, hours, and locations that the successful proposer(s) shall provide the services called for in the RFP.
5. **Right to Retain Proposals.** Retain all proposals submitted and not permit withdrawal for a period of 90 days subsequent to the deadline for receiving proposals.
6. **Right to Negotiate.** Negotiate the fees and terms proposed by the proposer(s).
7. **Right to Reject Any Proposal.** Reject and not consider any proposal that does not meet the requirements of this RFP, including but not necessarily limited to incomplete proposals and/or proposals offering alternate or non-requested services.
8. **Right to Reject Proposal for Debarment.** In addition, the LHCIRMA reserves the right to reject the proposal of any firm who is debarred by HUD from providing services.
9. **No Obligation to Compensate.** Have no obligation to compensate any proposer for any costs incurred in responding to this RFP.
10. **Unauthorized Sub-Contracting Prohibited.** The successful proposer/contractor shall not assign any right, nor delegate any duty for the work proposed pursuant to this RFP (including, but not limited to, selling, or transferring the contract) without the prior written consent of the LHCIRMA. Any purported assignment of interest or delegation of duty, without the prior written consent of the LHCIRMA shall be void and may result in the cancellation of the contract with the LHCIRMA or may result in the full or partial forfeiture of funds paid on the contract, as determined by the LHCIRMA.
11. **Project Staffing Changes.** Engagement partners, managers, other supervisory staff, and specialists may be changed if those personnel leave the firm, are promoted, or are assigned to another office. These personnel may also be changed for other reasons. However, in either situation, the LHCIRMA retains the right to approve or reject replacements.

XI. EVALUATION CRITERIA

1. Disadvantaged Business

The LHCIRMA encourages its contractors/vendors to understand, endorse and fully implement policies and programs to expand the business potential for Disadvantaged Businesses i.e., small, and minority-owned businesses, women's business enterprises, veteran owned business, as well as similar activities associated with low and very low-income persons, notably those living in public housing. Each Proposer must provide its policy statement on these matters, as well as its plan for meeting and fostering these objectives in terms of its own team and project expenditures.

- 20 Points

2. Technical Score

The proposal demonstrates the firm's knowledge and expertise with public entities and housing pools.

- 30 Points

3. **Price**
 - 25 Points
4. **Quality of Firm's References and Peer Review**
 - 25 Points

XII. TIMELINE SUMMARY

The primary contact for this RFP is Kia Fuller c/o kowens@hacsla.com

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- a. Questions shall be directed to Kia Fuller in email at kowens@hacsla.com
- b. Answers to RFP Questions Provided to all Proposers: April 5, 2024

C. Proposal Submission Due: April 15, 2024 at 5:00 PM CST

- a. All responses to the RFP must be emailed and submitted in PDF format to:
Kia Fuller c/o kowens@hacsla.com

D. Evaluation of Proposals: April 16-19, 2024

E. Award of Contract: May 1, 2024