



**CITY OF HANAHAN FINANCE DEPARTMENT**  
**REQUEST FOR QUALIFICATIONS**  
**Investment Management Services**

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Solicitation Number: \_\_\_\_\_  
Solicitation Date: \_\_\_\_\_  
Proposal Submission Deadline: \_\_\_\_\_ - \_\_\_\_\_  
Proposed Award Date: \_\_\_\_\_

*City of Hanahan*  
*Procurement*  
*1255 Yeamans Hall Road*  
*Hanahan, South Carolina 29410*  
*(843) 576-5254*



**REQUEST FOR QUALIFICATIONS  
INVESTMENT MANAGEMENT SERVICES  
CITY OF HANAHAN FINANCE**

**Deliver or email quote to:  
City of Hanahan  
Procurement Office  
City Hall – 2<sup>nd</sup> Floor  
1255 Yeamans Hall  
Hanahan, SC 29410**

Submissions will be evaluated based upon, but not limited to, related experience of the respondents, professional qualifications of individuals to be assigned to the project, demonstrated success with similar clients, fees and overall quote content. In comparing quotes, consideration will not be confined to price only. The successful offeror will be one whose service is judged to best serve the interests of the City of Hanahan when price, service, experience, qualifications, quality, and dependability are considered. the City of Hanahan reserves the right to reject any or all quotes or any part thereof, and to waive any minor technicalities. Decisions of equivalency will be at the sole interpretation of the City of Hanahan.

Oral interviews **may** be scheduled after the deadline submission date.

**Background:** Hanahan is located at the very south end of Berkeley County, and its city limits on the west and south sides are contiguous with the county line between Berkeley and [Charleston](#) counties. It was incorporated as a city in 1973. As of the [2020 United States census](#), there were 20,325 people, 8,891 households, and 6,031 families residing in the city.

The form of government is council. The council is the governing body of the city, with the city administrator being hired by, and serving at the pleasure of, the city council. The council and mayor are elected by the voters. The mayor is a first among equals on the council, presiding over council meetings and representing the city at [official functions](#).

**Quote Request:** The City's investment management consists of ongoing programs in managing specific investment portfolios. The current investment funds are as follows: General Fund, Fleet Fund, Building Fund, Property Tax Relief Fund, Capital Projects Fund, GO Bond Construction Fund, American Rescue Plan Act Fund, and Debt Millage Fund.

The objective is to protect these assets and ensure their ability to fund their obligations while enhancing returns.

The City and the Investment Manager will develop a detailed investment strategy, that is updated at minimum annually, and more often as needed. At this time the amount to be invested would fluctuate between \$2,000,000-\$5,000,000. It is the City's intention to invest in U.S. Treasuries and/or its agencies on a rolling maturity basis.

**Requirements:**

1. The City requires reports and monthly statements to be received directly by the City.
2. The City desires electronic access to the safekeeping or custody account for monitoring and reporting purposes.
3. The City will require error and omission insurance.

**Term:** The offeror shall commit to providing the services requested at the rate submitted in the quote for the term of the contract. It is the intent of COH to award a contract for an initial period of one (1) year, with a start date of July 1, 2022. COH reserves the right to extend the contract for two (2) additional one (1) year terms. Actual contract term may vary, depending upon service and project needs at the City of Hanahan's sole absolute discretion.

## Requirements

In order to demonstrate qualifications, Offerors should address the following:

### **Organization and Background**

1. Briefly describe your organization, the year it was founded, location of its headquarters and other offices, its ownership structure, and affiliation with other companies.
2. Please describe the full range of investment management services your firm provides to clients. Indicate which services are your firm's specialties or areas of greater expertise. Why did you choose the particular area of expertise and how is the expertise maintained and expanded?
3. Disclose all conflicts or potential conflicts of interest the firm has in serving in an investment manager relationship (e.g., relationships with custodians, investment managers, brokerage firms, COH Commissioners and/or staff, etc.).
4. Has the firm or any officer or principal of the organization been involved in litigation related to investment management activities, or have they otherwise been involved in a SEC investigation or litigation? If yes, provide a brief summary and indicate the current status of the proceedings.
5. List any other support services the firm provides to COH (e.g., customized research projects, educational seminars, etc.).
6. Describe the firm's expertise in handling monies originating from public funds, specifically in South Carolina.
7. Describe the financial condition of your firm.

### **Staffing**

1. Provide an organizational chart that includes all individuals employed in the investment management group. Specifically identify consultants, professional support staff, and administrative staff, along with professional designations.
2. List the personnel you propose to assign to this relationship and their responsibilities. Provide brief biographical information on each individual including their positions in the company, education, training, and years and type of experience in investment management.

3. Describe the turnover of portfolio managers and professional support staff over the past five years.

### **Client/References**

1. Identify the types of accounts primarily sought by your firm.
2. Attach a list of three South Carolina references, including at least one governmental client similar to COH in size and scope of investment. Indicate the contact's name, address, and telephone number for each reference. Indicate the length of time you have provided investment services to the client and the type of services provided.

### **Performance Measurement and Evaluation**

1. Describe the methods and sources of data used for analyzing the performance of investment managers and the portfolio. Specifically, include the monitoring of performance, risk, style, etc. What performance benchmarks would be recommended for this portfolio? Should we expect an incremental increase in return over the benchmark return?
2. Provide examples for a portfolio similar to that of COH. What experience has the firm had in developing benchmarks for public operating portfolios?
3. How many business days after the end of a reporting period are the performance reports available? Can the reports be customized? Please provide a sample monthly client report.
4. Describe the methods you use to verify that a portfolio manager continues to meet the objectives as well as how frequently you interact with managers to assure they are meeting style, and other selection criteria standards.

## **Technology**

1. What technological capabilities does the firm have to add value and efficiencies to the investment management process? Does the firm have a website? If yes, please provide the website address and a brief commentary on information typically accessible to clients.
2. Describe the top two technology initiatives/enhancements your firm will be implementing or developing in the next twelve to twenty-four months.

## **Investment Strategy**

1. Briefly describe your firm's investment management philosophy including your approach to managing portfolios for political subdivisions and other local government organizations.
2. What are the primary strategies for adding value to the portfolios?
3. Describe the ongoing daily investment procedures. Include procedures for trades, security selection, controls, etc., and how will you provide necessary liquidity.
4. An annual oral presentation to COH Council is expected. In addition, how frequently would you suggest your staff meet with COH staff? Who will attend these meetings?

## **Fee**

1. Outline your fee schedule that would apply to COH. Include in the fee schedule any and all applicable fees to perform investment advisory services.
2. Provide full disclosure of any direct and indirect fees, commissions, penalties, and any other compensation that may be received by the investment advisor/manager, including reimbursement for expenses, that may be paid by or on behalf of the advisor/manager.
3. What, if any, are the start-up costs?

## **Summary**

What do you believe sets your firm's services apart from the competition and what unique value-added services could you provide for COH? Please respond by using an example of how your firm assisted a similar client build a successful investment program.

## **Statute:**

### **Title 6 - Local Government - Provisions Applicable to Special Purpose Districts and Other Political Subdivisions.**

#### **CHAPTER 5: Investment of Funds by Political Subdivisions.**

#### **SECTION 6-5-10. Authorized investments by political subdivisions**

(a) The governing body of any municipality, county, school district, or other local government unit or political subdivision and county treasurers may invest money subject to their control and jurisdiction in:

(1) Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States.

(2) Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.

(3)(i) General obligations of the State of South Carolina or any of its political units; or (ii) revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.

(4) Savings and Loan Associations to the extent that the same are insured by an agency of the federal government.

(5) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, of a market

value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.

(6) Repurchase agreements when collateralized by securities as set forth in this section.

(7) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (1), (2), (3), and (6) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

(8) A political subdivision receiving Medicaid funds appropriated by the General Assembly in the annual general appropriations act may utilize appropriated funds and other monies generated by hospital operations to participate in principal protected investments in the form of notes, bonds, guaranteed investment contracts, debentures, or other contracts issued by a bank chartered in the United States or agency of a bank if chartered in the United States, financial institution, insurance company, or other entity which provides for full principal payment at the end of a contract term not to exceed twelve years if the issuer has received a rating in one of three highest general rating categories issued by no fewer than two nationally recognized credit rating organizations. No more than forty percent of the appropriated funds and other monies generated by hospital operations may be invested in the manner provided in this item. Revenue realized pursuant to these investments must be expended on health care services.

(b) The provisions of this chapter shall not impair the power of a municipality, county, school district or other local governmental unit or political subdivision or county treasurer to hold funds in deposit accounts with banking institutions as otherwise authorized by law.

(c) Such investments shall have maturities consistent with the time or times when the invested moneys will be needed in cash.

(d) For purposes of subsection (a), in the case of a defeased obligation, an obligation shall be treated as the obligation of the issuer of the obligation included in the qualifying defeasance escrow for the defeased obligation. A "defeased obligation" means any obligation the payment of which is secured and payable solely from a qualifying defeasance escrow and the terms of which may not be amended or modified without the consent of each of the holders of the defeased obligation. A "qualifying defeasance escrow" means a deposit of securities, including defeasance obligations, with a trustee or similar fiduciary under the terms of an agreement that requires the trustee or fiduciary to apply the proceeds of any interest payments or maturity of the defeasance obligation to the payment of the defeased obligation and when the trustee or fiduciary has received verification from a certified public accountant that the payments will be



sufficient to:

(e) pay the defeased obligation timely. A defeasance obligation must not be callable or subject to prepayment by the issuer and it must be a direct general obligation of the United States and its agencies, or an obligation the payment of principal and interest on which is fully and unconditionally guaranteed by the United States.

**SECTION 6-5-15. Securing deposits of funds by local entities.**

(A) As used in this section, "local entity" means the governing body of a municipality, county, school district, other local government unit or political subdivision, or a county treasurer.

(B) A qualified public depository, as defined in subsection (G), upon the deposit of funds by a local entity, must secure these deposits by deposit insurance, surety bonds, investment securities, or letters of credit to protect the local entity against loss in the event of insolvency or liquidation of the institution or for any other cause.

(C) To the extent that these deposits exceed the amount of insurance coverage provided by the Federal Deposit Insurance Corporation, the qualified public depository at the time of deposit must:

(1) furnish an indemnity bond in a responsible surety company authorized to do business in this State; or

(2) pledge as collateral:

(a) obligations of the United States;

(b) obligations fully guaranteed both as to principal and interest by the United States;

(c) general obligations of this State or any political subdivision of this State; or

(d) obligations of the Federal National Mortgage Association, the Federal Home Loan Bank, Federal Farm Credit Bank, or the Federal Home Loan Mortgage Corporation; or

(3) provide an irrevocable letter of credit issued by the Federal National Mortgage Association, the Federal Home Loan Bank, Federal Farm Credit Bank, or the Federal Home Loan Mortgage Corporation, in which the local entity is named as beneficiary and the letter of credit otherwise meets the criteria established and prescribed by the local entity.

(D) The local entity must exercise prudence in accepting collateral securities or other forms of deposit security.

(E)(1) A qualified public depository has the following options: to secure all or a portion of uninsured funds under the Dedicated Method where all or a portion of the uninsured funds are secured

separately. The qualified public depository shall maintain a record of all securities pledged, with the record being an official record of the qualified public depository and made available to examiners or representatives of all regulatory agencies. The local entity shall maintain a record of the securities pledged for monitoring purposes;

(a) to secure all or the remainder of uninsured funds under the Pooling Method where a pool of collateral is established by the qualified public depository under the direction of the State Treasurer for the benefit of local entities. The depository shall obtain written approval from each entity before pooling an entity's collateral. The depository shall maintain a record of all securities pledged, with the record being an official record of the qualified public depository and made available to examiners or representatives of all regulatory agencies. The State Treasurer shall determine the requirements and operating procedures for this pool. The State Treasurer is responsible for monitoring and ensuring a depository's compliance and providing monthly reports to each local entity in the pool.

(2) Notwithstanding the provisions of item (1), the local entity, when other federal or state law applies, may require a qualified public depository to secure all uninsured funds separately under the Dedicated Method.

(F) A qualified public depository shall not accept or retain any funds that are required to be secured unless it has deposited eligible collateral equal to its required collateral with some proper depository pursuant to this chapter.

(G) "Qualified public depository" means a national banking association, state banking association, federal savings and loan association, or federal savings bank located in this State and a bank, trust company, or savings institution organized under the law of this State that receives or holds funds that are secured pursuant to this chapter.

(H) In addition to the investments authorized for local entities in Section 6-5-10 and notwithstanding another provision of law, a local entity may deposit all or a portion of surplus public funds in its control or possession in accordance with the following conditions:

(1) the funds are initially deposited in a qualified public depository selected by the local entity;

(2) the selected qualified public depository arranges for depositing the funds in one or more federally insured banks or savings and loan associations, wherever located, for the account of the local entity;

(3) the full amount of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation; and

(4) the selected qualified public depository acts as custodian for the local entity with respect to each deposit.

**SECTION 6-5-20. Delegation of investment authority.**

The governing body may delegate the investment authority provided by Section 6-5-10 to the treasurer or other financial officer or any fiscal agent or corporate trustee charged with custody of the funds of the local government, who shall thereafter assume full responsibility for such investment transaction until the delegation of authority terminates or is revoked.

**SECTION 6-5-30. Assistance of State Treasurer.**

The State Treasurer is authorized to assist local governments in investing funds that are temporarily in excess of operating needs by:

- (1) Explaining investment opportunities to such local governments through publication and other appropriate means;
- (2) Acquainting such local governments with the State's practice and experience in investing short-term funds; and
- (3) Providing technical assistance in investment of idle funds to local governments that request such assistance..

**SECTION 6-5-40. Chapter shall be supplementary to other statutes.**

The provisions of this chapter are not in lieu of, but are supplementary to, existing analogous statutory authorizations relating to investments, all of which shall remain in full force and effect.

**Quote Cover Sheet**

Date \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

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

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

Contact Person\_\_\_\_\_

Telephone Main: (\_\_\_\_\_)\_\_\_\_\_ Other Phone: (\_\_\_\_\_)\_\_\_\_\_

Email\_\_\_\_\_

Signature\_\_\_\_\_

Print Name/Title\_\_\_\_\_ / \_\_\_\_\_

END