



11400 Robinwood Drive • Hagerstown, MD 21742-6514

### **RFP HCC24-003 for OPEB Investment Management Services**

**Addendum 2**, posted on April 22, 2024, consisting of questions received up until the question deadline.

#### **Questions & Answers:**

**Q1: Our firm bills monthly. This conflicts with the compensation structure outlined on Page 8 (section 1.17). Will this change be agreeable to The College? For context, a more frequent billing schedule better aligns the difference between gross and net performance to the quoted fee, and is typically perceived as positive.**

**A1: It is agreeable to the College to be invoiced on a monthly basis. The College pays invoices on Net30 terms.**

**Q2: Is there an IPS in addition to the summary on pages 39-40? We've noted the investment process portion of the technical questions -- #5 specifically references a draft policy contained in Appendix A. If no additional IPS is available, is there a spending policy or planned distribution schedule our team should take into consideration?**

**A2: The reference to Appendix A is an error. It should have referenced Attachment F. There is no additional IPS available.**

**Q3: Is there an opportunity to see an existing statement for an analysis of current holdings, fees, and to determine the transferability of existing holdings to our respective firms?**

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**A3:** This is not something we have shared.

**Q4:** Distribution Needs—What are the current annual contributions/distributions from the OPEB account? Is HCC currently paying the OPEB expenses from their operating budget? Or are they using the OPEB account to cover those expenses?

**A4:** We have yet to draw on the OPEB account and it has been years since we have made any contributions. Expenses are being paid from the OPEB account.

**Q5:** Investment Policy Statement (IPS)—Is it possible to get a copy of the actual “HCC Investment Policy Statement”, instead of the “Investment Policy Summary” include in the RFP? If not, is it possible to know when the IPS was last updated or reviewed and approved by the HCC Board?

**A5:** 2016. We are comfortable sticking with the traditional style investments.

**Q6:** Restricted Investments—Does HCC have any restricted asset classes or investments they do not wish to include in their portfolio holdings? Would the HCC Board like to include any restricted assets/sectors moving forward in their allocation?

**A6:** Probably yes if this question is being raised, however, I don’t see any specifically listed. For example, investment in an S&P 500 mutual fund would be allowed with the knowledge that companies move in and out and cover a broad spectrum of industries.

**Q7:** Can you confirm if the trust and custody services should also be included as part of the OPEB Investment Management Services bid?

There is mention on page 13 of the “awarded firm working alongside PNC to ensure assets are transferred satisfactorily”, however we did not see any additional mention or requirement of trust/custody services in the Scope of Services or Price Submittal Format sections.

**A7:** Yes, it should be included, but clearly separate it. We included on the Price Proposal Form (Section 6) a table which separates the management fees from the fees to house the trust. The College needs to be able to have the fees separated to make sure that we are comparing costs apples to apples.

**Upcoming Deadlines:**

The technical proposal closing is **April 30, 2024** at 10:00 AM. See RFP for full delivery details.

Respectfully submitted,

A handwritten signature in cursive script that reads "Alicia Cullop".

Alicia Cullop

Manager of Procurement Services