

**STATE OF NEVADA**

**DEPARTMENT OF ADMINISTRATION**

**Purchasing Division**

**515 East Musser Street, Suite 300 │ Carson City, NV 89701**

**Phone: 775-684-0170 │ Fax: 775-684-0188**

Solicitation: **05TO-S2659**

For

**OUTSIDE INVESTMENT MANAGER**

Release Date: **On or about 1/25/2024**

Deadline for Submission and Opening Date and Time: **02/29/2024 @ 2:00 pm**

Single point of contact for the solicitation:

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# APPLICABLE REGULATIONS GOVERNING PROCUREMENT

## All applicable Nevada Revised Statutes (NRS) and Nevada Administrative Code (NAC) documentation can be found at: [www.leg.state.nv.us/law1.cfm](http://www.leg.state.nv.us/law1.cfm).

## SINGLE POINT OF CONTACT. Vendors and/or their representatives shall only contact the single point of contract or use the electronic procurement system regarding this solicitation until after a notice of award (NOA) has been issued. Failure to observe this restriction may result in disqualification of a proposal per NAC 333.155(3).

## Prospective vendors are advised to review Nevada’s ethical standards requirements, including but not limited to NRS 281A, NRS 333.800, and NAC 333.155.

# PROJECT OVERVIEW

## The State of Nevada Purchasing Division, on behalf of The Nevada State Treasurer, in accordance with his responsibilities to administer the State General Fund (General Portfolio), the Local Government Investment Pool (LGIP), the Local Government Pooled Long-Term Investment Account (NVEST), and on behalf of Washoe County School District, Washoe County and City of Reno, is seeking proposals from qualified firms to provide institutional investment management services. The Investment Managers will directly manage all or a portion of the various portfolios and will work closely with the State Treasurer, the Investment Deputy or the authorities of Washoe County School District, Washoe County and City of Reno, to monitor the portfolios with the goal of meeting or beating assigned benchmarks. Please note the assets listed below for all portfolios are as of September 30, 2023. Services provided by the chosen vendor(s) will consist of the investment and management of the services as described in the scope of work and attachments.

## The State may award multiple contracts in conjunction with this Request for Proposals (RFP), as determined in the best interests of the State. The State Treasurer’s Office shall administer contract(s) resulting from this solicitation. The resulting contract(s) are expected to be for a contract term of four years, anticipated to begin July 1, 2024, subject to Board of Examiners approval, with two one-year extension options if in the best interest of the State of Nevada and agreed to by the parties.

## PORTFOLIO BACKGROUNDS

### State General Fund Portfolio

#### The State General Fund Portfolio is the operating fund with the State’s immediate and longer-term obligations. Investments must be made within the permitted investments set forth in NRS 355.140 and further made per the adopted ***General Fund Investment Policy located in this document as Exhibit*** ***2.*** As of September 30, 2023, the book value of investments in the General Portfolio was approximately $8.91 billion. (See ***Exhibit 5, General Fund Holdings*** for holdings details). The Treasurer’s investment staff manage those shorter-term funds needed to meet the day-to-day cash flow of the State which represents approximately 80% of the portfolio. The remainder of the funds are currently overseen by two separate managers directing approximately $650 million of corporate credits and approximately $1.05 billion of ABS/MBS assets. In this RFP, the Treasurer’s Office will be seeking 1 manager to invest a pool of ABS/MBS assets.

### Local Government Investment Pool (LGIP)

#### The LGIP was established as an alternative investment program (authorized in Nevada Revised Statutes (NRS) 355.167) to be utilized by State of Nevada local governments for their public monies. Any local government, as defined by NRS 354.474, may utilize the LGIP for purposes of investment.

#### Investment must be made within the permitted investments set forth in NRS 355.170 and NRS 355.171, and further made per the adopted LGIP Investment Policy (Investment Policy) located in this document as ***Exhibit 3, LGIP Investment Policy***. The book value of the LGIP assets as of September 30, 2023 were approximately $1.86 billion (See ***Exhibit 6, LGIP Holdings*** for holdings details.). Currently, the STO administers the participant side of the LGIP, which includes for example, contact with local governments, transactions in and out of the pool, maintenance of member balance reporting, and audit inquiries. The STO is currently in contract with a manager for the LGIP pooled assets which expires on June 30, 2024. Procurement recommends a service contract not exceed four-years; therefore, we are bidding this investment mandate as part of this RFP and will select a single outside manager.

### Local Government Pooled Long-Term Investment Account (NVEST)

#### Local Government Pooled Long-Term Investment Account (NVEST), pursuant to Nevada Revised Statutes (NRS) 355.165(1), is requesting responses from qualified firms to invest NVEST monies for local governments in the State. Investments must comply with, ***Exhibit 4, NVEST Investment Policy***. The Investment Policy establishes the guidelines that govern the investment activities of the State Treasurer and investment managers with regard to the management of NVEST and in accordance with NRS 355.165, 355.167, and 355.170. The Treasurer is currently under contract with two institutional fixed income managers for NVEST; these contracts are set to expire on June 30, 2024. Procurement recommends a service contract not exceed four-years; therefore, we are bidding this investment mandate as part of this RFP and will select a pool of outside managers for local governments to consider for longer-term investment management.

#### NVEST is an investment program designed to manage local government monies which are not required for immediate cash flow purposes. Any local government, as defined in NRS 354.474 may apply to the State Treasurer to request participation in NVEST. The State Treasurer may establish one or more accounts for identified investments made for and allocated to specific participating local governments. Each account is managed according to preferred security selection, and against an agreed-upon benchmark. The minimum account size is currently an initial investment of $5.0 million.

#### As of September 30, 2023, there is one (1) account being separately managed with assets totaling approximately $53.1 million. Accounts may be added or liquidated throughout the duration of the contract. Any local government may apply to the State Treasurer to request participation in NVEST. Each account is managed according to preferred security selection and against an agreed-upon benchmark.

### Washoe County School District General Portfolio

#### The General Portfolio of Washoe County School District (“WCSD” or “District”) includes all assets of the District, both short- and long-term, with the exception of proceeds of the District’s general obligation bond issuances, which are subject to different statutory investment restrictions. Assets are held and investments are structured separately for three accounts:

##### General Liquidity Account, which holds investments of 0-12 months intended to cover disbursements such as payroll expenses and vendor payments,

##### General Core Account, for the investment of assets that are intended to be held on a long-term basis and are not necessary for daily or monthly liquidity requirements, and

##### Capital Projects/Debt Service Account, to cover WCSD’s future debt service payments and expenses associated with capital projects not funded from bond proceeds.

#### Investments must be made within the permitted investments set forth in the District’s adopted Administrative Regulation 3211 (Investments) located in this document as ***Exhibit 9, WCSD 3211 Regulation Investments***. As of September 30, 2023, the book value of investments in the General Portfolio was approximately $414 million.

### Washoe County School District Bond Portfolio

#### The Bond Portfolio of Washoe County School District holds the proceeds of general obligation bonds issued by WCSD. In accordance with State law, investments are contained to a more restrictive set of asset classes, primarily US Treasury and other US government securities and US Agency securities, as detailed in the District’s Administrative Regulation 3211. Investments must be made within the permitted investments set forth in the District’s adopted Administrative Regulation 3211 (Investments) located in this document as ***Exhibit 9, WCSD 3211 Regulation Investments***. As of September 30, 2023, the book value of investments in the Bond Portfolio was approximately $194 million.

### Washoe County Investment Portfolio

#### The Washoe County Investment Portfolio invests monies belonging to the Washoe County Investment Pool. Members in this pool consist of Washoe County and its various funds, as well as Regional Transportation Commission, Truckee River Flood Management Authority, Truckee Meadows Fire Protection District, Other Post Employee Benefits Trust, and Western Regional Water Commission.

#### This portfolio consists of short-term investments to meet immediate cash flow needs as well as long-term investments. Investments must be made within the permitted investments set forth in NRS 355.140 and further made per Washoe County’s Investment Plan). The Washoe County’s Investment Plan is located in this document as ***Exhibit 10, Washoe County Investment Management Plan***. As of November 30, 2023, the book value of investments in the General Portfolio was approximately $900 million. (See ***Exhibit 11, Washoe County Investment Portfolio*** for holdings details.). The Washoe County Treasurer’s Staff works closely with the investment manager to manage those shorter-term funds needed to meet the day-to-day cash flow of the Washoe County (County). The County is currently in contract with a manager.

### City of Reno General Portfolio

#### The General Portfolio for the City of Reno includes all assets of the City, both short- and long-term, with the exception of proceeds of the City’s general obligation bond issuance, which are subject to different statutory investment restrictions. Assets are held in investments structured separately for three accounts:

##### Core Portfolio which currently holds the City’s long-term investments and earnings are reinvested until needed. The current duration of the Core Portfolio is approximately 2.30 years and is currently increasing due to higher yield investments being purchased for a longer period of time.

##### Liquidity Portfolio which holds investments which mature in less than 1 year. The main purpose of this fund is to meet debt service needs

##### Reserve Fund Portfolios which are smaller investments held to satisfy bond covenants and restricted to what is allowed for investments.

#### The City also has liquid cash accounts used to cover day to day activities of the City. These funds are not managed by the Investment Advisor, but are reviewed regularly to determine if excess funds are available for investment:

##### Nevada Local Government Investment Portfolio is cash held with the state for short term needs such as payroll and accounts payable.

##### General Bank Account is cash held for daily transactions to cover outstanding liabilities

#### As of October 31, 2023 the City has the following was the balance of invested and liquid funds:

##### Core Portfolio $333,037,249

##### Liquid Portfolio $23,313,137

##### Reserve Fund Portfolio $12,359,351

##### Nevada LGIP $115,593,479

##### General Bank Account $34,604,203

##### **Total funds $518,907,419**

#### See ***Exhibit 13, City of Reno Investment Portfolio Holdings*** for an Investment Portfolio Holdings Report as of October 31, 2023.

#### Investments must be made that follow the City’s adopted Investment Policy (see ***Exhibit 12, City of Reno Investment Policy)***. This Policy is reviewed annually by our Investment Advisor to ensure compliance with NRS and updated to allow for new investment opportunities.

# ATTACHMENTS

## ATTACHMENTS INCORPORATED BY REFERENCE. To be read and not returned.

### Terms and Conditions for Services

### Scope of Work

## ATTACHMENTS FOR REVIEW. To be read and not returned (unless redlining).

### Contract Form

### Insurance Schedule

## PROPOSAL ATTACHMENTS. To be completed and returned.

### Cost Schedule

### Proposed Staff Resume

### Reference Questionnaire

### Attachments for Signature

#### Vendor Information Response

#### Vendor Certifications

#### Certification Regarding Lobbying

#### Confidentiality and Certification of Indemnification

### Exhibits 1 - 13

# TIMELINE

## QUESTIONS. All questions regarding this solicitation shall be submitted using the Bid Q&A feature in NevadaEPro.

## TIMELINE. The following represents the proposed timeline for this project.

### All times stated are Pacific Time (PT).

### These dates represent a tentative schedule of events.

### The State reserves the right to modify these dates at any time.

#### Deadline for Questions No later than 5:00 pm on 02/08/2024

#### Answers Posted On or about 02/15/2024

#### Deadline for References No later than 5:00 pm on 02/28/2024

#### Deadline Proposal Submission and Opening No later than 2:00 pm on 02/29/2024

#### Evaluation Period (estimated) 02/29/2024 – 03/07/2024

#### Vendor Presentations (if applicable) (estimated) 03/14/2024 – 03/15/2024

#### Notice of Intent (estimated) On or about 03/15/2024

#### Notice of Award (estimated) On or about 04/09/2024

#### BOE Approval (estimated) 05/14/2024

#### Contract start date (estimated) 07/01/2024

# EVALUATION

## Evaluation and scoring are conducted in accordance with NRS 333.335 and NAC 333.160-333.165.

### Proposals shall be kept confidential until a contract is awarded.

### In the event the solicitation is withdrawn prior to award, proposals remain confidential.

### The evaluation committee is an independent committee established to evaluate and score proposals submitted in response to the solicitation.

### Financial stability shall be scored on a pass/fail basis.

### Proposals shall be consistently evaluated and scored based upon the following factors and relative weights.

#### Investment performance provided and similarity to mandate 35

#### Experience in performance of comparable engagements, excluding investment process and philosophy 25

#### Firm background and expertise and availability of key personnel 20

#### Administration, compliance and reporting 15

#### Cost Factor 5

## Presentations (if applicable)

#### Experience in performance of comparable engagements, including investment process and philosophy 60

#### Investment performance provided and similarity to mandate 40

### Cost proposals will be evaluated based on the following formula.

#### Cost Factor Weight x (Lowest Cost Submitted by a Vendor / Proposer Total Cost) = Cost Score

### Presentations

#### Following the evaluation and scoring process specified above, the State may require vendors to make a presentation of their proposal to the evaluation committee or other State staff, as applicable.

#### The State, at its option, may limit participation in vendor presentations to vendors above a natural break in the relative scores from technical and cost scores.

#### Following the presentations, the combined technical, cost, and presentation scores will become the final score for a proposal.

#### The State reserves the right to add additional criteria or presentations.

#### The State reserves the right to forego vendor presentations and select vendor(s) based on the written proposals submitted.

## NEVADA-BASED BUSINESS PREFERENCE

### The State awards a five percent (5%) preference to Nevada-based businesses pursuant to NRS 333.3351 to 333.3356, inclusive.

### Nevada-based business is defined in NRS 333.3352(1).

### The term ‘principal place of business’ has the meaning outlined by the United States Supreme Court in Hertz Corp v. Friend, 559 U.S. 77 (2010), typically meaning a business’s corporate headquarters.

### To claim this preference a vendor must indicate it on their vendor account and submit a Quote in NevadaEPro.

### This preference cannot be combined with any other preference, granted for the award of a contract using federal funds, or granted for the award of a contract procured on a multi-state basis.

## INVERSE PREFERENCE

### The State applies an inverse preference to vendors that have a principal place of business in a state other than Nevada and that state applies an in-state preference not afforded to Nevada based vendors, pursuant to AB28 passed in the 81st session of the Nevada Legislature.

### The amount of the inverse preference is correlated to the amount of preference applied in the other state.

### Vendors who meet this criterion must indicate it on their submitted Quote in NevadaEPro.

### This preference cannot be combined with any other preference, granted for the award of a contract using federal funds, or granted for the award of a contract procured on a multi-state basis.

# MANDATORY MINIMUM REQUIREMENTS

## Pursuant to NRS 333.311 a contract cannot be awarded to a proposal that does not comply with the requirements listed in this section. Proposal shall include confirmation of compliance with all mandatory minimum requirements.

## NEVADA LAW AND STATE INDEMNITY. Pursuant to NRS 333.339, any contract that is entered into may not: (1) Require the filing of any action or the arbitration of any dispute that arises from the contract to be instituted or heard in another state or nation; or (2) Require the State to indemnify another party against liability for damages.

## NO BOYCOTT OF ISRAEL. Pursuant to NRS 333.338, the State of Nevada cannot enter a contract with a company unless that company agrees for the duration of the contract not to engage in a boycott of Israel. By submitting a proposal or bid, vendor agrees that if it is awarded a contract, it will not engage in a boycott of Israel as defined in NRS 333.338(3)(a).

## INDEMNIFICATION. Required contract terms on Indemnification: "To the fullest extent permitted by law, Contractor shall indemnify, hold harmless and defend, not excluding the State’s right to participate, the State from and against all liability, claims, actions, damages, losses, and expenses, including, without limitation, reasonable attorneys’ fees and costs, arising out of any breach of the obligations of Contractor under this contract, or any alleged negligent or willful acts or omissions of Contractor, its officers, employees and agents. Contractor’s obligation to indemnify the State shall apply in all cases except for claims arising solely from the State’s own negligence or willful misconduct. Contractor waives any rights of subrogation against the State. Contractor’s duty to defend begins when the State requests defense of anyclaim arising from this Contract."

## LIMITED LIABILITY. Required contract terms on Limited Liability: "The State will not waive and intends to assert available NRS Chapter 41 liability limitations in all cases. Contract liability of both parties shall not be subject to punitive damages. Damages for any State breach shall never exceed the amount of funds appropriated for payment under this Contract, but not yet paid to Contractor, for the Fiscal Year budget in existence at the time of the breach. Contractor’s tort liability shall not be limited."

## CONTRACT RESPONSIBILITY. Awarded vendor shall be the sole point of contract responsibility. The State shall look solely to the awarded vendor for the performance of all contractual obligations which may result from an award based on this solicitation, and the awarded vendor shall not be relieved for the non-performance of any or all subcontractors.

## DATA ENCRYPTION. State IT requires that data be encrypted in transit and in rest.

## STATESIDE DATA. State IT requires that State data assets must be maintained in the United States and data will not be held offshore.

## NEVADA BUSINESS LICENSE. Pursuant to NRS 353.007, prior to contract execution awarded vendor must hold a state business license pursuant to NRS chapter 76 unless exempted by NRS 76.100(7)(b).

## DISCLOSURE. Each vendor shall include in its proposal a complete disclosure of any alleged significant prior or ongoing contract failures, contract breaches, any civil or criminal litigation or investigations pending which involves the vendor or in which the vendor has been judged guilty or liable.

# CRITICAL ITEMS

## In addition to the *Scope of Work* and *Attachments*, the items listed in this section are critical to the success of the project. These items will be used in evaluating and scoring the proposal. Vendor proposal should address items in this section in enough detail to provide evaluators an accurate understanding of vendor capabilities. Proposals that fail to sufficiently respond to these items may be considered non-responsive.

## CONTRACT FORM*.* The State strongly prefers vendors agree to the terms of the attached *Contract Form* as is. Ability to agree to contract terms is a high priority to the State. Vendors who cannot agree to the contract as is must include a redlined Word version of the attached *Contract Form* with their proposal response. To the extent a vendor has prior contractual dealings with the State, no assumption should be made that terms outside those provided herein have any influence on this project.

## INSURANCE SCHEDULE

### The State strongly prefers vendors agree to the terms of the attached *Insurance Schedule* as is. Vendors who cannot agree must explain which areas are causing non-compliance and attach a red line if necessary.

### Awarded vendor shall maintain, for the duration of the contract, insurance coverages as set forth in the fully executed contract.

### Work on the contract shall not begin until after the awarded vendor has submitted acceptable evidence of the required insurance coverages.

### Failure to maintain any required insurance coverage or acceptable alternative method of insurance shall be deemed a breach of contract.

## VENDOR BACKGROUND

### Company background/history and why vendor is qualified to provide the services described in this solicitation.

### Provide a brief description of the length of time vendor has been providing services described in this solicitation to the public and/or private sector.

## VENDOR STAFF RESUMES

### A resume shall be included for each proposed key personnel, see *Proposed Staff Resume.*

### A resume shall also be included for any proposed key subcontractor personnel.

## SUBCONTRACTORS

### Subcontractors are defined as a third party, not directly employed by the contractor, who shall provide services identified in this solicitation. This does not include third parties who provide support or incidental services to the contractor.

### Proposal should include a completed *Vendor Information Response* form for each subcontractor.

### Vendor shall not allow any subcontractor to commence work until all insurance required of the subcontractor is provided to the vendor.

### Vendor proposal shall identify specific requirements of the project for which each subcontractor shall perform services.

#### How the work of any subcontractor(s) shall be supervised

#### How channels of communication shall be maintained

#### How compliance with contracts terms and conditions will be assured

#### Previous experience with subcontractor(s)

## VENDOR FINANCIAL INFORMATION

### The information requested in this section is designated as confidential business information by the Administrator pursuant to NRS 333.020(5)(b) and is not public information pursuant to NRS 333.333.

### This information should be submitted as a separate attachment, flagged as confidential in NevadaEPro.

### Proposing vendor shall provide the following financial information and documentation:

#### Dun and Bradstreet Number

#### Federal Tax Identification Number

#### The last two (2) full years and current year interim:

###### Profit and Loss Statements

###### Balance Statements

## BUSINESS REFERENCES

### The information requested in this section is designated as confidential business information by the Administrator pursuant to NRS 333.020(5)(b) and is not public information pursuant to NRS 333.333.

### Vendors shall provide a minimum of three (3) business references from similar projects performed for private and/or public sector clients within the last five (5) years, see *Reference Questionnaire*.

### The purpose of these references is to document relevant experience and aid in the evaluation process.

### Business references should return *Reference Questionnaire* directly to Single Point of Contact via email.

### Business references will not be accepted directly from proposing vendor.

### Business references shall not be requested from the soliciting agency.

### The State will not disclose submitted references, but will confirm if a reference has been received.

### The State reserves the right to contact references during evaluation.

# SUBMISSION CHECKLIST

## This section identifies documents that shall be submitted to be considered responsive. Vendors are encouraged to review all requirements to ensure all requested information is included in their response.

### Proposals must be submitted as a Quote through NevadaEPro, [https://NevadaEPro.com](https://nevadaepro.com/).

### Vendors are encouraged to submit a single file attachment per proposal section if possible.

### Technical proposal information and Cost proposal information shall not be included in the same attachment.

### Cost proposal attachment shall not be flagged as confidential in NevadaEPro.

### Additional attachments may be included, but are discouraged and should be kept to a minimum.

## TECHNICAL PROPOSAL

#### Title Page

#### Table of Contents

#### Response to Mandatory Minimum Requirements

#### Response to Critical Items

#### Response to Scope of Work

#### Proposed Staff Resumes

#### Other Informational Material

## PROPRIETARY INFORMATION. If necessary. Attachment should be flagged confidential in NevadaEPro.

#### Title Page

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#### Trade Secret information, cross referenced to the technical proposal

## COST PROPOSAL

## VENDOR FINANCIAL INFORMATION. Attachment should be flagged confidential in NevadaEPro.

## SIGNED ATTACHMENTS

#### Vendor Information Response

#### Vendor Certifications

#### Confidentiality and Certification of Indemnification

#### Certification Regarding Lobbying

## OTHER ATTACHMENTS. If necessary, not recommended.

## REFERENCE QUESTIONNAIRES. Not submitted directly by vendor.