

<b>AMENDMENT OF SOLICITATION / MODIFICATION OF CONTRACT</b>		1. Solicitation Number CFOPD-22-R-038		Page of Pages 1 5	
2. Amendment/Modification Number  Amendment No. 1	3. Effective Date  See Box 16C	4. Requisition/Purchase Request No.	5. Solicitation Caption  UDC Investment Advisory & Custody Services		
6. Issued by:  Office of the Chief Financial Officer Office of Contracts 1100 4 <sup>th</sup> Street SW Suite E610 Washington, DC 20024		Code	7. Administered by (If other than line 6)		
8. Name and Address of Contractor (No. street, city, county, state and zip code)  ALL POTENTIAL OFFERORS  Code Facility		X	9A. Amendment of Solicitation No. CFOPD-22-R-038		
			9B. Dated (See Item 11) August 17, 2022		
			10A. Modification of Contract/Order No.		
			10B. Dated (See Item 13)		
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS					
<input checked="" type="checkbox"/> The above numbered solicitation is amended as set forth in item 14. The hour and date specified for receipt of Offers <input type="checkbox"/> is extended. <input checked="" type="checkbox"/> is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning a <u>1</u> written copy of the amendment: (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) BY separate letter or fax which includes a reference to the solicitation and amendment number. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such may be made by letter or fax, provided each letter or telegram makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.					
12. Accounting and Appropriation Data (If Required)					
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14					
	A. This change order is issued pursuant to (Specify Authority):				
	B. The above numbered contract/order is modified to reflect the administrative changes.				
	C. This supplemental agreement is entered into pursuant to authority of:				
	D. Other (Specify type of modification and authority) Administrative				
<b>E. IMPORTANT:</b> Contractor <input type="checkbox"/> is not <input checked="" type="checkbox"/> is required to sign this document and return one (1) copy to the issuing office.					
14. Description of Amendment/Modification (Organized by UCF Section headings, including solicitation/contract subject matter where feasible.)  The above referenced solicitation to provide UDC Investment Advisory & Custody Services is hereby amended to include the responses to inquires received (Attachment A) and changes to the solicitation (Attachment B).  <b>ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED</b>					
Except as provided herein, all terms and conditions of the document is referenced in Item 9A or 10A remain unchanged and in full force and effect.					
15A. Name and Title of Signer (Type or print)			16A. Name of Contracting Officer		
			Anthony A. Stover, CPPO or Drakus Wiggins CPPB, CPPO		
15B. Name of Contractor  (Signature of person authorized to sign)		15C. Date Signed	16B. District of Columbia		16C. Date Signed
			 (Signature of Contracting Officer)		Sept 8, 2022

## Attachment A

### District's Responses to Questions Received

1. Page 2 of the solicitation in Section B.1 reads:

*The District of Columbia Office of the Chief Financial Officer, Office of Contracts, on behalf of the Office of Finance and Treasury (OFT) (the "District) is seeking a Contractor to provide **non-discretionary investment advisory services** and custody services for the endowment funds (the "Endowment", or the "funds") of the University of the District of Columbia ("UDC", or the "University").*

We are writing to you for clarification of the "non-discretionary" specification and wanted to share the definition:

**"Discretionary** portfolio management does not involve the client actively, and the investment manager takes all the decisions on his behalf. In contrast, a **non-discretionary investment** account involves the client at every step of portfolio management."

With a portfolio value of over \$61 million, it would be very unusual to require "non-discretionary" investment management as the investment committee or someone authorized by UDC would be contacted every time there are even minor changes to the portfolio to acquire approval. Can you please confirm or correct this specification?

**Response:** The District is seeking a Contractor to provide non-discretionary investment advisory services and custody services for the endowment funds (the "Endowment", or the "funds") of the University of District of Columbia ("UDC", or the "University").

2. How does the Governing Committee engage the current advisor in this capacity? When the current advisor has an asset allocation or manager recommendation, do they immediately communicate it to the Governing Committee for their review and approval? Or does the current advisor wait until the next scheduled meeting with the Governing Committee to present the recommendation, at which point an approval is, or is not, granted. The first approach allows for timelier implementation of investment ideas, while the second approach may not be as timely from an implementation perspective but is more structured from a Committee member standpoint.

**Response: When the investment advisory has a recommendation, the recommendation shall be communicated immediately to the Associate Treasurer and OFT staff to be shared with the Deputy CFO/Treasurer.**

3. Would the service provider be able to place trades within the confines of the IPS without reaching out to a representative or would every trade need approval from UDC? We want to understand the scope of non-discretionary, as we have worked with other HBCUs and colleges, which leverage that terminology differently.

**Response: Yes**

4. The RFP states ‘Provide investment performance for an asset-weighted composite of university and/or college endowments, which are your clients for one-year, three-year, and five-year period ending June 30, 2020.’ Please confirm you want investment performance as of 6/30/2020 rather than for the period ending 6/30/2021 or 6/30/2022.

**Response: *For the period ending 6/30/22. See revision to the solicitation per Attachment B.***

5. Can you describe the make-up of the investment committee?

**Response: *There is no investment committee. See Attachment J.7 “UDC Investment Policy, Section V. Fiduciary and Managerial Responsibilities”.***

6. What are the internal staff resources involved in the management and/or oversight of the investment portfolio(s)?

**Response: *The program is overseen by the Treasurer, Associate Treasurer, and Program Director\Program Manager.***

7. Can you confirm that you are seeking a non-discretionary Investment Consulting service arrangement?

**Response: *Yes, non-discretionary Investment Consultant only.***

8. Are you giving any consideration to a fully discretionary, OCIO service arrangement?

**Response: No**

9. Can you help us better understand the long-term return objectives, risk tolerance, liquidity needs, and any other important policy considerations for the portfolio?

**Response: See attachment J.7 “UDC Investment Policy” of the solicitation.**

10. What are the more pressing concerns or challenges regarding the portfolio?

**Response: No pressing concerns. The only concern is that portfolio achieves real growth of at least 6% over the long-term.**

11. Can you comment on the ST and LT portfolio performance? Have you achieved your long-term return goal of 6% YoY?

**Response: No. However, at 3/31/22, the portfolio had a return above 6% since inception date.**

**The goal of the portfolio both short and long is to be investment in quality companies that will delivery exception returns during all markets with a focus on delivering a 6% real growth rate.**

12. Can you elaborate on your objective to include “emerging managers” in the portfolio? What are the specific objectives re: emerging managers? Where does the portfolio stand today in terms of its current use of emerging managers?

**Response: Emerging managers are key drivers of value within an investment portfolio, powering differentiated returns, portfolio diversification, risk mitigation and sustainable investment outcomes. OCFO also believes that professionals and decision-makers who come from diverse backgrounds contribute different points of view that enhance organizational quality and economic performance.**

**Three investment managers in the portfolio are emerging managers.**

## **Attachment B.**

**The following changes are hereby incorporated into the solicitation:**

Section L.3.2 “Technical Proposal” – Section II “Technical Expertise” paragraph p is deleted in its entirety and replaced with the following:

- p) Provide investment performance for an asset-weighted composite of university and/or college endowments, which are your clients for the one-year, three-year, and five-year period ending **June 30, 2022**. Provide detail on the composite. State if your firm is GIPS compliant.