



ADDENDUM #1
REQUEST FOR PROPOSALS
No. 2015-020

Effective: May 1, 2015
Project: Non-Discretionary Investment Advisory Services 
Issued By: Wes Rhodes, Procurement Manager
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Division of Procurement
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Below are the questions submitted by Offerors and the City's answers thereto for the above named project.

Q-1: Will the City of Gaithersburg consider a “manager of managers” consulting approach, or do you expect the consultant to also have authority over selection of individual securities?

A: The City is not overly familiar with these approaches. The expectation is for one primary point of contact for all investment advisory recommendations. One of those recommendations may be for investment in various funds, each having a different fund manager. All underlying investments must meet the City's allowable investment criteria as identified in the investment policy and State regulations.

Q-2: What is the time horizon/duration of the current portfolio?

A: Fully liquid

Q-3: Is there a current consulting relationship in place?

A: No

Q-4: If yes to the previous question, is this incumbent expected to respond to this RFP?

A: N/A

Q-5: What sort of frequency (ie quarterly, monthly, etc) is the consultant expected to attend in-person meetings?

A: On an on-going basis annually or bi-annually. For the first year, we would expect on-site meetings for: interviews (as part of the selection process), and a planning meeting and/or investment policy review and presentation at a Mayor & City Council meeting.

Q-6: Could you please provide details as to the City's definition of "Non-Discretionary Investment Advisory"?

A: An arrangement where the advisor obtains approval from City staff for individual investment purchases and sales.

Q-7: Do all trades need to be approved by the City or does the Investment Advisor have ability to buy/sell securities under the stated investment guidelines and policy without prior approval?

A: Yes all transactions must be approved, as the relationship will be non-discretionary, the advisor does not have full discretion to make trading decisions.

Q-8: Could you please describe the trading process that the City envisions?

A: Advisor provides investment recommendations. City approves and authorizes the advisor to execute the trade; the advisor provides settlement and ACH instructions to the City. The City initiates the ACH transfer and settlement occurs with a third party custodian account. Advisor monitors and verifies proper trade transaction and settlement.