

REQUEST FOR PROPOSAL: INVESTMENT MANAGEMENT SERVICES

Purpose

Detroit Educational Television Foundation (DETF) is requesting proposals from an experienced and qualified individual, team or firm to provide advisory counsel and investment management services for a portfolio currently valued at approximately \$8.43 million.

The portfolio is separated into three distinct accounts, serving separate purposes, as follows:

1. Organizational endowment and quasi endowment fund, set aside for long-term preservation, growth, and sustainability, currently valued at approximately \$7.4 million.
2. Charitable gift annuity fund, set aside for donor annuity payments as well as for long-term preservation, growth, and sustainability, currently valued at approximately \$690k.
3. 457b deferred compensation fund, set aside for obligations under a 457(b) deferred compensation plan, currently valued at approximately \$340k.

The portfolio is invested and managed under an investment policy statement (attached). Portfolio activity is managed in coordination with DETF management and reviewed and evaluated by a designated subcommittee of the DETF Board of Trustees.

DESCRIPTION OF THE ORGANIZATION

Detroit Educational Television Foundation is a Michigan not-for-profit corporation, exempt from federal income tax under Section 501 (c) (3) of the IRS code.

DETF is the viewer-supported PBS member station serving Southeast Michigan. In addition to our TV station, we also operate a radio station, 90.9 WRCJ FM licensed to Detroit Classical and Jazz Educational Radio, LLC., and managed by Detroit Public TV and the Detroit Educational Television Foundation Board of Trustees. Our mission is to educate, engage, entertain and inspire through the power of public media.

Proposing firms are also encouraged to visit our website at: www.dptv.org for a thorough review of the organizational activities, including the following:

- History, vision, mission, values
- Leadership and Board of Trustees
- Financial results (see Legal Notices) and Annual Reports to the Community

SCOPE OF SERVICES

The investment advisor services will include, but are not limited to, the following:

- Assist DETF in establishing investment objectives and overseeing the investment portfolio and advising on the investment policy statement.
- Provide asset allocation recommendations, investment management and custodial services in a fiduciary capacity.

- Recommend appropriate investment funds and ensure compliance with the investment policy statement.
- Perform necessary research, monitoring and rebalancing to ensure optimal performance of the portfolio, meeting or exceeding benchmark returns, net of fees/expenses.
- Provide quarterly analysis of the investment portfolio, evaluate performance against benchmarks, and meet with DETF management to discuss.
- Meet with the Finance Committee (or designated subcommittee) at least annually to communicate all matters pertaining to the investment of the portfolio's assets.
- Issue quarterly distributions from the charitable gift annuity fund and provide other liquidity needs, as requested by DETF management.
- Provide access to monthly account statements.

FORMAT OF THE RFP RESPONSE

We are flexible on the format of the response and would encourage the firm to include what it feels is important. The following is a guide on areas we feel are important:

1. Profile and summary of the firm's qualifications including:
 - a. Description and size of firm indicating whether it is local, regional, national, or international in operations.
 - b. Depth of the firm's practice in serving not-for-profit clients of the scale and scope of Detroit Educational Television Foundation with examples of similar portfolio management.
 - c. Industry experience and client base.
 - d. Ability of the firm to complete work within specified deadlines.
 - e. Assets under management, including a breakdown by type (i.e. endowments, foundations, ERISA, companies and individuals).
 - f. Organizational values and involvement in not-for-profit activities and community services.
 - g. Licenses, insurance and disclosure of past or present litigation or regulatory actions involving firm.
 - h. Provide firm's System and Organizational Controls (SOC) Report(s).
2. Experience, dedication, and references of the service team
 - a. Names of the firm's core service team who would be directly involved in DETF's accounts, including location, and qualifications with relevant experience and resumes.
 - b. For institutional assets managed by the core service team, similar to DETF's, provide contact information for three current clients that DETF may contact for a reference. Also, provide details on each client portfolio, such as portfolio type (i.e. endowments, foundations, ERISA, for-profit companies), length of relationship, and total assets managed.
 - c. Describe how your firm's managers and partners will be involved in the engagement.

- d. Describe how your firm will help DETF further its mission, develop and expand its donor base and assets.
3. Investment management process and other services
 - a. Describe firm's overall investment philosophy and provide model portfolios for different style investors, including a nonprofit.
 - b. Describe the process if firm has helped draft or modify an investment policy for a nonprofit.
 - c. Describe firm's investment selection process.
 - d. Describe firm's process for investment monitoring and replacement.
 - e. Describe firm's process for monitoring performance of a client's account(s), including as related to client's goals, objectives and investment policy.
 - f. Considering DETF's endowment pool, what type of investment(s) and allocation would the firm suggest, including a historical performance of such portfolio and a comparative to relevant indexes (both before and after fees).
 - g. Describe the firm's sell discipline as it relates to equities.
 - h. Describe the firm's process for screening investments for social responsibility.
 - i. Does the firm comply with the reporting standards of the Association of Investment Management and Research?
 - j. Description of the firm's online portal and its reporting capabilities.
 - k. Does the firm administer charitable gift annuities? If so, describe the firm's services in this area and process for administration.
 - l. Does the firm offer securities based lending? If so, describe the firm's services in this area and process for administration.
4. Independence
 - a. Describe practices to ensure compliance with independence requirements and freedom from conflicts of interest.
 - b. Confirmation from the firm that it will take all necessary steps to ensure its independence.
5. Fees
 - a. Outline of fees that the firm would charge to manage DETF's assets including fees for balanced, equity, fixed income and cash reserve management services (including money market funds used as cash reserves). Be specific and disclose all fees and expense ratios including but not limited to, commissions, sales charges and 12b-1 fees associated with securities, mutual funds and ETFs. Response should include a breakdown of all management fees, transfer fees, and any other costs associated with the management of account, including a grid of declining fees based on assets under management.
 - b. Describe the frequency and timing of firm's fees.
6. Equal Opportunity
 - a. Detroit Public Television is committed to the principles of diversity, equity, and inclusion. A component of our strategy is to work with partners and vendors who embrace similar values. Include in your response your organization's position on this important issue.
7. Additional data — provide any additional data the respondent feels may be helpful in the selection process.

METHOD OF EVALUATING PROPOSALS

Proposals will be evaluated with a strict emphasis on quality. Furthermore, the public is expecting quality stewardship of all available resources. Our evaluation process will focus on the seven areas of the proposal, as noted above.

Dependent upon the evaluation of the quality of the written proposal and discussions by management, select firms will be requested to prepare a virtual meeting presentation. The duration of the presentation should be no longer than 45 minutes in length, inclusive of questions and answers and should be made by no more than three members of your firm. We would like the individuals who will be conducting the services to attend the virtual presentation. Presentations will be scheduled via Zoom as detailed below.

Once all proposals have been evaluated, the firm that is more qualified and reasonable in cost will be selected.

OTHER

1. The response due date for this RFP is March 1, 2024. Any proposals received after this date will not be considered.
2. The proposals should be addressed to:

Bill Carignan, VP - Controller
wcarignan@dptv.org
3. The top two to three proposals will be selected for a virtual presentation, expected to take place between March 11th and April 5th.
4. We anticipate the successful bidder will be notified by April 19, 2024.
5. Confidentiality — By accepting to take part in this RFP you agree to keep in confidence all information imparted to you in relation with the proposal process; not to disclose it to third parties; and not to use it for any other purpose than for proposal.
6. Right to reject — Detroit Educational Television Foundation reserves the right to reject any and all proposals submitted and to request additional information from all proposers. Any contract awarded will be made to the independent firm who, based on evaluation of all responses and applying all criteria and interviews, if necessary, is determined to be the best qualified to perform the services.



DETROIT EDUCATIONAL TELEVISION FOUNDATION
Investment Policy Statement
Updated: January, 2024

PURPOSE

The purpose of the Investment Policy (“Policy”) is to outline the goals and investment objectives for Detroit Educational Television Foundation (DETF). DETF’s investment portfolio (“the Investment”) will be governed by the Policy and may consist of any combination of endowment, quasi endowment, or other funds as designated by the management for that purpose.

GOAL

These set aside funds, will be managed collectively for long-term preservation and growth. Potentially, earnings from the Investment will be used for special unique purposes as recommended by management and approved by the Board.

INVESTMENT OBJECTIVE

DETF’s investment objective is a balanced portfolio designed to preserve principal with emphasis on growth and income necessary to supplement the ongoing needs of the organization.

DETF recognizes that risk, volatility, and the potential loss in purchasing power due to inflation are present to some degree with all types of investment vehicles. The assumption of a moderately aggressive level of risk that is commensurate with DETF’s objectives for growth and income is warranted and encouraged.

Annually, the average annual total fund return, net of fees/expenses, should surpass relevant and correlating market benchmarks. DETF seeks to minimize managerial fees in order to achieve the highest possible returns.

VALUES STATEMENT

DETF recognizes the need to align investments with organizational values and will perform value-based screens to ensure investments are not in opposition to DETF’s values and ethics policies. Investments will adhere to socially responsible investing guidelines, be reviewed annually to ensure alignment with our organizational values, and favor companies and/or funds that support social, environmental, and racial equity and justice.

PROHIBITED TRANSACTIONS

The following specific investment activities are prohibited:

- Purchase of securities on margin
- Use of real estate (excluding REIT’s), limited partnerships, or venture capital loans

SPENDING POLICY

A target amount up to 4% of the weighted average market value (over the past 36 months) of the non-permanently restricted balance within the portfolio may be distributed for operating or capital use. The distribution would occur in June based upon the calculated weighted average balance as of the previous December 31.

EVALUATION AND REVIEW

On a periodic basis, but not less than annually, the Finance Committee (or designated subcommittee) will review actual results achieved and evaluate:

- Need for changes in investment strategy or allocation
- Need for changes in investment management or advisor
- Compliance with this Policy

Investment Policy UPDATE Jan 2024

Approved: _____

DRAFT