

**REQUEST FOR QUALIFICATIONS
RFQ 08-36
INSTITUTIONS FOR INVESTMENTS
ANSWERS TO POSTED QUESTIONS**

- 1) Would the qualifying institution be investing on behalf of the college's endowment set up through the HACC Foundation? Or would this service be for one of the other funds the college manages?

ANSWER:

The RFQ is for the investment of the colleges other funds.

- 2) Could you also provide information on whether you are looking for any particular market capitalization or style?

ANSWER: The respondent must demonstrate its ability to meet the liquidity needs of the College. Reporting of capital under SEC Rule 15c3-1 should be part of the 10-K report required in item 4 of Section A: QUALIFICATIONS AND EXPERIENCE of this RFQ.

- 3) How many managers do you expect to select for this list?

ANSWER: The College does not have an expectation for the minimum or maximum number of qualified institutions.

- 4) What the current set up is of the portfolio as far as asset allocations and manager roster?

ANSWER: The College currently utilizes one institution for depository and cash management services, one mutual fund and one local government investment pool (LGIP) for the investment of other short-term funds. The asset allocation is set based on cash flow needs and market conditions. Current asset allocation is 24% depository / 17% mutual fund / 59% LGIP.

- 5) I would like clarification as to "Service Group 4" on page 9. I assume that all institutions that fall into one or the other of Service Groups 1, 2 or 3 should respond here. Please confirm.

ANSWER:

Service Group 4 should be answered for those proposing services under Service group 2 & 3

- 6) Please clarify difference between item 1 and item 2 until Service Group 4.

ANSWER: Item 1 asks for rates on traditional Certificates of Deposit that would be FDIC-insured for deposits up to \$100,000 and appropriately collateralized for public deposits over \$100,000 under PA Act 72.

Item 2 asks for investment rates for an overnight investment vehicle. Examples include (but are not limited to) an interest-bearing time deposit account, an overnight sweep, or an overnight repurchase agreement.

- 7) Will HACC only be allowed to invest in securities that meet Act 72 investment guidelines. The RFQ indicates that any deposits with Depository Institutions must be collateralized to meet Act 72.

ANSWER: Act 72 guidelines apply only to those deposits where FDIC insurance covers deposits up to \$100,000, traditionally time deposits and CDs; and for those type of investments HACC requires the

financial institution meet Act 72 collateralization standards. The College may also invest in several types of money market fixed-income securities which do not need to be collateralized under Act 72.

- 8) The Fulton Financial Advisors (FFA) CRIM Portfolio Managers can develop a portfolio of individual securities to meet the investment requirements of HACC. CRIM currently invests approximately \$90 million with 6 colleges and universities in Pennsylvania. Since FFA is **not** an Eligible Broker Dealer will the FFA CRIM product be "considered" as one of the qualified investment managers for HACC?

ANSWER: Please provide sufficient information on your company and any product you wish to have considered under this Request for Qualifications.

- 9) Since this is an RFQ for Investments what details do you want in regards to the Fulton Bank Cash management experience with governmental entities. Are you only interested in the Cash management investment options?

ANSWER: If you plan to respond as FFA, focus on FFA's experience in investing for governmental entities, not on depository relationships under Fulton Bank.

- 10) It will be difficult to provide suggested investment solutions without the HACC Investment Guidelines, Investment objective and maturity, and size of HACC investment portfolio.

ANSWER: The RFQ does not ask for investment solutions from the respondents at this time; HACC is interested in establishing a list of qualified Financial Institutions to provide investment services.

- 11) How would HACC like the rate quotes to be calculated? Different securities and investment products have different conventions (Actual/Actual, Actual/360) and the interest posting methodology changes based on the investment vehicle.

ANSWER: "Actual/Actual" wherever possible. If a different rate is quoted, please footnote with the calculation method.

- 12) Please confirm that HACC would like individual CD Rates, Overnight REPO, and Fixed Income rates for a \$97,000 and \$500,000 deposit for the maturities of 30, 60, 90, 120, 180, 270, 360 days. It appears that the request is for 14 individual rates and not a Laddered portfolio?

ANSWER We are requesting 14 separate rates, as well as overnight repo or sweep rates. This question is to determine whether or not the respondent can offer an investment to the specified maturity date, not to make specific investments based on the rates provided.

- 13) What is this money typically used for?

ANSWER: These funds are for the college's operating expenditures (payroll, goods and services, capital purchases, etc.)

- 14) Is there a timeframe associated with the account or any individual investment within the account?

ANSWER: The time of any individual investment is based on the operating cash flow needs.

- 15) Is there a minimum return (interest rate) that your institution is looking for?

ANSWER: We will be looking for the best rate at the time of investment.

16) Over what period of time?

ANSWER: Most investments are for 1 year or less.

17) Is complete safety of principal the number one issue within the account?

ANSWER: Yes

18) Do you currently have other request for proposals outstanding? If so, where would I find that information?

ANSWER: The college posts the Request for Proposals on its Internet page, HACC.edu under Business and Community (bottom left side of screen) – Purchasing – Request for Proposals - this is a complete list. Additionally Vendors who have been contacted before or express interest in being considered for future opportunities are notified of the availability of RFP's on the website directly.