

The Grady Memorial Hospital Corporation
d/b/a

GRADY HEALTH SYSTEM



Remarkable Service Exceptional Care

GRADY HEALTH SYSTEM

**REQUEST FOR PROPOSAL
(RFP)**

**FOR
Investment Advisory/Custodian Services**

RFP# 23022MS

**Request for Proposal Posted: Monday, August 12, 2024
Proposal Due: Friday, August 30, 2024, 2pm EST**

SECTION 1: GRADY HEALTH SYSTEM BACKGROUND

Grady Health System (GHS) is one of the largest safety net health systems in the nation. Grady consists of the 953-bed Grady Memorial Hospital, the Correll Pavilion, seven neighborhood health centers, Crestview Health & Rehabilitation Center, and Children's Healthcare of Atlanta at Hughes Spalding, which is operated as a Children's affiliate.

With its nationally acclaimed emergency services, Grady is Atlanta's premier Level 1 trauma center – the metro area's only nationally verified Level 1 center. Grady EMS serves as the 911 ambulance provider for the city of Atlanta, South Fulton County communities, and numerous counties across Georgia. It also operates the state's first Mobile Stroke Unit, taking cutting-edge pre-hospital care directly to patients. Grady's American Burn Association/American College of Surgeons verified Burn Center is one of only two in the state, and the Marcus Stroke and Neuroscience Center is a Joint Commission designated Advanced Comprehensive Stroke Center.

Other key services/distinctions include Grady's Regional Perinatal Center with its Neonatal Intensive Care Unit, Georgia's first Cancer Center for Excellence, The Avon Comprehensive Breast Center, the Georgia Comprehensive Sickle Cell Center, and the Ponce de Leon Center - one of the top HIV/AIDS outpatient clinics in the country. Grady is one of an elite group of hospitals to earn the Baby-Friendly USA international recognition as a Baby-Friendly Designated birth facility. Grady has earned the prestigious Stage 7 on the HIMSS Analytics Electronic Medical Record Adoption Model - Georgia's first adult acute care hospital to earn the highest rating for improving patient care and safety through health information technology.

SECTION 2: OVERVIEW, QUALIFICATIONS & EXPERTISE

Project Overview

Grady Health System (GHS) is requesting proposals from qualified Investment Firms having sufficient experience to fill the role of our Investment Advisor/Custodian/Fiduciary. The firm chosen will have the responsibility to act in the best interest of GHS, including socially responsible investing, impact investing and standard advisory services for institutional clients. Impact investments are defined as values aligned investments that generate competitive financial returns as well as social and/or environmental benefits. The chosen investment advisor will work with our GHS investment policy and provide long term and short term results with the goal of meeting or exceeding established benchmarks. The advisory services will include, but are not limited to, investment policy review/advisement, asset allocation, manager search and selection, performance monitoring, impact reporting and education.

Vendor Registration

All vendors are required to complete a Vendor Registration Application through the GHS electronic vendor registration process once awarded a contract and all representatives must register prior to visiting any location or department of the health system. All fees due are the responsibility of the awarded Vendor and their associates. The registration allows GHS to manage the vendors supplying critical services to the health system, profile of the vendors and all representatives that visit the health system. The electronic Vendor Registration Application can be completed on the GHS website at www.gradyhealth.org/suppliers.

Qualifications & Expertise

GHS requires the successful Offeror to exhibit the highest standards of integrity and work ethics (e.g. confidentiality, diligence and professionalism) and possess specialized experience in providing the proposed service.

Within all responses to this RFP the Offeror must provide the following details:

1. Provide a brief history of the organization with emphasis on any corporate reorganization that has occurred in the last three (3) years, office locations, and information documenting the company's financial position (i.e. financial statements, annual reports).

*The Grady Memorial Hospital Corporation d/b/a Grady Health System
Request for Proposal*

2. Indicate name and the business address of the entity, or individual that will be the party to the proposed contract and the Offeror's business telephone number, fax number, and e-mail address.
3. Indicate the type of ownership (sole proprietorship, partnership, corporation, joint venture, or limited liability company—list state in which incorporated) and parent company, if any.
4. Provide the name, address, and telephone number of the point of contact that will serve as the authorized negotiator(s) for the Offeror. The authorized negotiator shall have the authority to act on behalf of the Offeror and make binding commitments for the Offeror and any sub-consultants concerning this RFP.
5. Please disclose any ownership and/or relationships with Grady Health System and /or the Grady Memorial Hospital Corporation d/b/a Grady Health System.
6. Disclose whether the proposing entity, or any shareholder, member, partner, officer or employee thereof, is presently a party to any pending litigation, or has received notice of any threatened litigation or claim directly or indirectly bearing on Grady Health System or The Fulton-DeKalb Hospital Authority.
7. Disclose the name and title of any of Grady Health System's and/or The Fulton-DeKalb Hospital Authority board members, officers, administration, employees, contracted employees or independent contractors that are employed by or affiliated with the Offeror's organization. This includes but is not limited to the Offeror's board members, committee members and advisors to the Offeror's organization, holding company or any owned subsidiary. This disclosure will apply to anyone affiliated with Grady Health System per its description in Section 1 above.
8. Please provide the following specific information related to the services to be provided:

A. Overview

- a. Firm's complete name, address, telephone number, and website.
- b. What makes your firm a good fit for these investment advisory services?
- c. Outline your firm's target market.
- d. Provide a list of services and a description of those services offered by your firm relative to this proposed engagement. A separate Service Level Agreement, which will act as a template for the final agreement if your firm is selected, should be included.
- e. State whether your firm, its parent, or affiliate is a registered advisor with the SEC under the Investment Advisor Act of 1940.
- f. Provide a copy of the current audit of internal control (SOC) report for investment services providers with recordkeeping responsibilities used by your firm.
- g. Describe the culture of your firm and what you consider to be the advantages of this culture.
- h. Describe the firm's diversity, equity, and inclusion efforts.
- i. List your firm's staff turnover percentage.
- j. Briefly summarize your consulting and research staff.
- k. Have you worked with a non-profit organization before?

B. Investment Policy Analysis and Asset Allocations

- a. Describe the firm's experience and expertise in developing and/or modifying investment policies for similar not-for-profit organizations.
- b. Describe your firm's asset allocation evaluation methodology. What are your philosophies and processes related to portfolio construction? How do you assess and manage risk? How do you approach rebalancing? Describe how your investment strategies optimize risk versus return.
- c. Describe the process your firm uses to develop asset class expected return/risk assumptions.
- d. Discuss your firm's approach to recommending alternative asset classes in an allocation.
- e. Outline your philosophies regarding placing managers on a watch list and manager termination. When you recommend placing a manager on a watch list or termination of a manager for one client, do you place the manager on the watch list or terminate the manager across your entire client base? In the past three years, what percentage

of managers was replaced (exclusive of new client transitions)? When do you believe is it typically appropriate to stay with a manager that is not meeting the IPS requirements versus when is it appropriate to terminate the relationship? Explain.

- f. What are your philosophies regarding active versus passive funds?

C. Research

- a. Describe your firm's research capabilities and resources.
b. Indicate the quantitative tools utilized by the firm to evaluate managers and the market.

D. Investment Manager Evaluation and Monitoring

- a. Describe your firm's process and criteria used to identify, evaluate, and recommend potential investment managers.
b. Describe your firm's ongoing manager due diligence process.
c. Provide an overview of your firm's approach and criteria for placing a manager on a watch list. Also specify under which conditions the manager might be removed from such a list.

E. Performance Evaluation and Reporting

- a. Summarize your firm's performance evaluation and reporting services. Provide examples.
b. Describe the frequency of the performance reports produced by your firm.
c. How long after the end of the month and year are reports typically available?
d. Provide an exhibit with your standard approach to fee monitoring and reporting (electronic copy).
e. Describe the frequency of in-person reporting by the firm to the GHS.
f. Describe the sources of data you use in calculating investment performance of a client's portfolio. Include whether or not calculated performance is reconciled with investment managers and custodians.
g. Describe how benchmarks are chosen or developed and how performance is compared to similar portfolios. Describe your custom benchmark capabilities.

F. Derivation of Revenue and Potential Conflicts of Interest

- a. What percentage of overall firm revenue does your Investment Management business represent, and of that, how much is from discretionary services? Briefly describe the non-Investment Management services your firm provides.
b. Does your firm provide services to, or as, money managers, recordkeeping or administration providers, custodians, broker dealers, or brokerage firms? If so, please describe and explain the steps taken to avoid conflicts of interest with your Investment Management business.
c. Does your firm receive direct or indirect payments from money managers, recordkeeping providers, custodians, broker dealers or brokerage firms for recommending their services to plan sponsors? If yes, please explain.
d. Does your firm have any arrangements with broker dealers whereby you benefit if money managers place trades for your clients with such broker dealers? If so, what percentage of Investment Management revenue does this represent?
e. Are more than 5% of your firm's total assets under advisement invested in a single fund? If so, identify the funds(s) and explain the circumstances.
f. Are more than 10% of your firm's total assets under advisement with any one money manager? If so, identify the manager(s) and explain the circumstances.
g. Disclose any potential conflicts of interest, or appearance of conflict, which might arise if you were selected to represent the organization. Such disclosure should reveal compensation, in any form by any source to your firm.
h. Indicate whether you have a policy and practice that forbids fees and services being given by managers selected for investment to your firm.

G. Fees

- a. Provide a fee schedule for advisory services.
- b. Are there any services requested by [Organization Name] which the provider will not provide? Are there services not requested that are being recommended for considered?
- c. Provide a fee quote for advisory services for [Organization Name]. Complete the table in Appendix A – Scope of Work for Advisory Services, indicating which services are included under the annual fee, which are excluded from the fee and provide a fee estimate, and which are not available. Include a spreadsheet that identifies all line items and then totals all charges.
- d. Provide all assumptions used to support your fee quote.

H. Client References

- a. Provide the following information for at least three relevant and similar organizations for whom you provide similar services:
 - i. Organization:
 - ii. Contact person:
 - iii. Phone number:
 - iv. E-mail address:

I. Other

- a. Describe how the organization would transition to your services from another investment advisor. Also indicate if your firm back loads transactions and /or investment performance data, if so, and how far back.
- b. Describe your policies regarding the confidentiality of client information, especially with regard to changes or potential changes in outside managers or asset allocation.
- c. Describe any training you provide to staff and Board members concerning relevant investment topics. Is there an additional charge for these services?
- d. Describe any unique services you offer.
- e. What differentiates your firm from your competition?

SECTION 3: PROPOSAL EVALUATION, SELECTION PROCESS, AND SCHEDULE

Response Due Date: Friday, August 30, 2024 2pm EST

***Presentations and Interviews: Wednesday, September 4 - Friday, September 13, 2024**

***Award Recommendation: September 20, 2024**

Vendor to start October 1, 2024

** Date(s) are subject to change*

SECTION 4: SPECIFICATIONS / DESCRIPTION

§ 4-A Scope of Services:

The selected investment advisor/custodian will be a co-fiduciary with GHS. They will perform the following duties:

- Assist GHS in formulating investment objectives and review the existing investment policy for adjustments as needed based on the investment options agreed upon.
- Develop a regular performance evaluation report outlining the results of all investment options required by the plan. This report shall contain accurate investment returns calculated for each investment option, a comparison of those returns to those of appropriate peer groups and benchmarks, and any other information necessary to assist the Health System in their fiduciary duty to oversee the plans investment options.
- Be independent with respect to the plans' investment options, and disclose any possible conflicts of interest, real or perceived.
- Fees are competitive, predictable, and transparent.
- Attain an average annual, inflation-adjusted total return (net of investment management fees) of at least CPI plus 3% over the long term, as measured over rolling 5-year periods. GHS will focus on total return without regard to whether that return is in the form of income or capital appreciation.
- Attend at least one Finance Committee meeting per year to present the investment performance report and recommendations.

§ 4-B Requirements / Specifications:

All firms proposing to provide these services should have extensive experience providing similar services to other like institutions.

All firms proposing to provide these services must be willing to acknowledge in writing that they have fiduciary responsibility and will act solely in the best interest of the GHS.

The awarded firm shall obtain and maintain in force at all times during the term of the contract derived from this RFP, insurance coverage pertaining to Professional Liability Insurance.

§ 4-C Term:

The term of this agreement shall be (2) years with an option to renew for (2) additional (1) year terms.

SECTION 5: EVALUATION CRITERIA AND PROCESS

The selection of the awardee to be engaged by GHS to accomplish the scope of work will be based on the following criteria that are utilized by the Technical Evaluation Team. The Technical Evaluation Team is comprised of members of the GHS staff.

§ 5-A Technical Proposal/Demonstrating an Understanding of the Services/Products Requested/Technical Modules

Proposals submitted must demonstrate the capability to comply with all requirements and specifications contained in this RFP. Failure to demonstrate the ability to meet specifications may result in non-consideration.

§ 5-B Previous Experience on Projects of a Similar Nature/References

GHS will review and evaluate the information submitted related to the scope of services and similar sized projects your firm has successfully completed in the past. Particular attention will be paid to the capability, quality, timeliness, cost controls and references.

§ 5-C Management Plan/Implementation/On Going Support

GHS will review and evaluate an overview of the proposed project management team and plan. In this overview, please identify the consultants and other key staff who would be assigned to the project and involved in providing goods/services as specified in the RFP. Provide biographical data on these individuals, the roles that each will play, and indicate which senior level staff member(s) will represent your firm at meetings with GHS. It is also requested that you provide biographies of other key members in your firm whom you regard as key to the firm's governance or to a relationship with GHS.

§ 5-D Cost Proposal

GHS will review and evaluate the overall costs in the Proposal to determine if they are: (1) Realistic for the work to be performed; and (2) Consistent with various elements of the Offeror's scope of services/technical Proposal.

SECTION 6: REPRESENTATIONS AND INSTRUCTIONS

§ 6-A-1 Response Guidelines

The information required by this RFP is comprehensive and necessary for accurate Offeror selection. Please be concise with answers. Each applicable question must be answered. For questions deemed not applicable, please state "not applicable". The response to this RFP must be submitted via email to GradyRFP@gmh.edu.

Proposals must be completed and returned in the same format. Your RFP response, in its entirety, will be included in the subsequent contract negotiated between GHS and the selected Offeror. All documents shall be submitted in a sealed container sufficient to protect and maintain the confidentiality of the contents and/or to indicate loss of confidentiality. Container must indicate this **RFP#23022MS** and the name of the company submitting the Proposal on the outside of the container. All responses to the RFP must be delivered to **Monica Sowell, Contracts Manager, Supply Chain** no later than **Friday, August 30, 2024 at 2pm**. All forms in Appendices A, B and C must be signed by an officer of the firm having the authority to make such offers, verifying that the Proposal is valid and will remain valid.

Any cost incurred in the preparation and presentation of this response is to be absorbed by the Offeror. All documents submitted will become the property of GHS unless otherwise requested in writing by Offeror at the time of submission. Further, any materials submitted by Offeror that should be considered “**CONFIDENTIAL**” must be clearly marked as such. Submission of any materials, confidential or otherwise, will implicitly grant the right of use by the Corporation. All portions of the Proposal that are not designated as confidential will become part of the public record immediately following an award. Documents designated as confidential will be treated as such to the extent permitted by law, including but not limited to the Georgia Open Records Act.

§ 6-A-2 Submission Guidelines

Offerors are forbidden to contact, directly or indirectly anyone other than **Monica Sowell, Contracts Manager, Supply Chain**. **Monica Sowell** is the sole point of contact for this RFP during the RFP process. Contact with any person other than **Monica Sowell** is grounds for disqualification from this process. Offerors are also strictly forbidden to attempt to influence, through internal or external third-party sources the outcome of this RFP. Your submission to this RFP serves as your confirmation that you, your firm and anyone acting as an agent, representative or influencer on behalf of your firm has not engaged in any action that may be construed as an attempt to influence the outcome of this RFP.

Failure to comply with any of the above stated guidelines may result in immediate disqualification. If you have any questions regarding this RFP, email your questions/concerns to **Monica Sowell, Contracts Manager, Supply Chain** at **GradyRFP@gmh.edu**.

§6-A-3 RFP Terms and Conditions: See Attachment B (GHS Terms and Conditions)

Compliance with GHS terms and conditions are required for any Offeror selected to provide goods, equipment, or services by the awarding of any RFP.

§ 6-A-4 RFP Completion Instructions:

Acceptance of Offerors Proposals: GHS reserves the right to accept or reject any Proposal, change these specifications or waive any formalities. Should it be necessary to modify an application to fulfill the needs of GHS, GHS will retain exclusive rights of ownership and use of all design documents, programs, and documentation developed. The Proposals, as submitted, will be the basis for contract negotiations and will be included in any contract between GHS and the selected Offeror. Representations made within the Proposals will be binding on responding Offeror. Offerors responses should be written in a concise and forthright manner. Offerors may be excluded from further consideration for failure to fully comply with the specifications of this RFP, including the failure to return ALL required documents, as well as, not using the forms and files as included. GHS will not be responsible for any costs associated with Proposals as submitted.

Offeror Selection: GHS reserves the right to make an award based solely on the Proposals as submitted, or any other basis, or to negotiate further with one or more Offerors. The Offeror(s) selected will be chosen on the basis of greatest benefit to GHS, as determined by GHS, and not necessarily on the basis of the lowest price. Award of a contract, if any, resulting from this RFP, will be subject to the terms and conditions of GHS purchasing policies. Upon completion of the initial review and evaluation of the Proposals, selected Offerors may be invited to participate in oral presentations.

Full Right of Selection and Rejection: The right to reject in its entirety or to select an Offeror providing other than the lowest cost product is reserved. GHS reserves the right to select and award, at its option, the runner-up’s Proposal in the event the selected offer for award or Offeror receiving the award, upon further review and solely in the opinion of GHS, fails to meet all qualifications or specifications or proves to be a selection not in the best interest of GHS.

Proposal Open Record: If a request to inspect the Proposal, or any portion thereof, is made by a third party, GHS will endeavor to treat all materials requested to be kept confidential and non-disclosed to the extent provided by the Georgia Open Records Act. The Offeror understands that GHS may be subject to the provisions of such Act together with the Uniform Trade Secrets Act. GHS will endeavor to inform the Offeror of any third party request for disclosure of such information pursuant to the Georgia Open Records Act or as may be otherwise made to GHS.

If the Offeror requests that such information be held confidential and not disclosed by GHS, the Offeror will assume the defense of such position, up to and including litigation, and will indemnify, save and hold harmless GHS, its officers and employees,

*The Grady Memorial Hospital Corporation d/b/a Grady Health System
Request for Proposal*

from any expense, fees, costs or liability associated with such third party request or such litigation. If the Offeror does consider the Proposal or any portion thereof to contain confidential information, it shall submit a letter on the Offeror's letterhead signed by the owner or Chief Executive Officer, requesting that GHS treat the Proposal confidential and private information to the extent possible under Georgia law. Otherwise, the Offeror agrees that its' submission may be deemed as public information.

Regulatory and Ethical Compliance: No Proposal shall be accepted from, and no contract will be awarded to, any person, firm or corporation that, within the past five years, has been found in non-compliance with Georgia statutes or the standards and rules set by the Ethics Commission of the State of Georgia. (<http://www.ethics.state.ga.us>).

Prior to any contract award, GHS will verify that the prospective Offeror's company, officers and/or principals are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from transactions by any Federal department or agency. This will be verified through the Office of Inspector General (OIG). If the Offeror and/or its principles appear on the OIG list, GHS reserves the right to reject the Offeror's Proposal and refuse award of a contract.

Notice of Award: The notice of award is issued by the Resource Management Department. Unsuccessful Offerors shall be notified in writing, after award has been made.

SECTION 7: SUPPLIER DIVERSITY

It is an overall objective of GHS to encourage involvement by Diverse Business Enterprises as contractors and suppliers in business activities generated by GHS, while assuring that such activities will be conducted in accordance with all applicable laws. It is the declared policy and intent of GHS to strive to maximize participation of Diverse Business Enterprises through all business contracting opportunities. GHS is committed to ensuring that Diverse Business Enterprises are given every opportunity to participate in contracting opportunities.

GHS has a supplier diversity goal with vendors that we do business with. We strive to include diverse vendors and vendor partners in our business ventures. More detail on GHS's overall program can be supplied to you upon request. For the Investment advisor RFP, we ask that interested parties include a list of sub-contractors and partners that will be part of the overall portfolio. Included can be diverse fund managers that will be responsible for a portion of the GHS business.