



CONTRACT NUMBER 18-04-09-03

RFP FOR INVESTMENT ADVISORY SERVICES FOR THE UNIVERSITY ENDOWMENT FUND

**Responses must be received by 3 p.m. local time of the State of Delaware
May 08, 2018**

**Delaware State University & Delaware State University Foundation
Room Number 103, Facilities Management Building
Attention: Zafar Chaudhry, Associate Vice President
1200 North DuPont Highway
Dover, DE 19901-2277**

Point of Contact

**Zafar Chaudhry, Associate Vice President
Phone. (302) 857-7852
Email: zchaudhry@desu.edu**

ALL VENDORS:

The enclosed packet contains a "REQUEST FOR PROPOSAL" for the contract listed on cover page. The proposal consists of the following:

- I. Overview/ Introduction
- II. Scope of Work/ Services
- III. Format For Proposal/ Required Information
- IV. Professional Services RFP Administrative Information/ Evaluation
- V. Pre-Bid Meeting
- VI. Proposal Reply Section
- VII. Proposal/ Bid Submission Form

Attachments:

- 1) Non-Collusion Statement
- 2) Exceptions
- 3) Confidentiality and Proprietary Information
- 4) Business References
- 5) Subcontractor Information Form
- 6) Bid/ Pricing Sheet

Appendices:

- A. Statement of Investment Objectives and Guidelines for Investment Managers
- B. Endowment Spending Rate Policy

In order for your proposal to be considered, the Proposal Reply Section shall be executed completely and correctly. Proposal/ Bid Submission Form along with all attachments shall be completely filled-in, signed and notarized where indicated.

Please review and follow the information and instructions contained in the General Provisions and this Request for Proposal (RFP).

Bidder bears the risk of incomplete response, late delivery or delivery at wrong location of the University other than specified in this RFP.

The term of the contract between the successful bidder and the University shall be for three (3) years. There is an option to renew the contract for two (2) one year extensions by negotiation.

Each proposal must be submitted with one original paper copy and one electronic copy on USB memory stick.

**REQUEST FOR PROPOSALS
INVESTMENT ADVISORY SERVICES FOR UNIVERSITY ENDOWMENT FUND
CONTRACT NUMBER 18-04-09-03**

I. Overview/ Introduction

The Delaware State University (hereinafter “University”) and the Delaware State University Foundation is seeking Proposals from qualified firms (“Proposers”) to provide investment advisory services for the University’s Endowment Fund. This request for proposals (“RFP”) is issued pursuant to 29 Del. C. §§ [6981](#) and [6982](#).

Background

The Delaware College for Colored Students, now known as Delaware State University, was established May 15, 1891, by the Delaware General Assembly under the provisions of the Morrill Act of 1890 by which land-grant colleges for Blacks came into existence in states maintaining separate educational facilities. With the appointment of an inaugural six-member Board of Trustees, that governing body used part of the initial \$8,000 state appropriation to purchase a 95-acre property north of the state capital of Dover to establish the new college.

Because there was already a private Delaware College (now the University of Delaware) located in Newark, Delaware, to avoid confusion new state legislation was passed and enacted in early 1893 to change the black school’s name to the State College for Colored Students. That would be the institution’s name for the next 54 years.

Through the conservative and practical planning of the Board of Trustees appointed by Delaware Gov. Robert J. Reynolds, the College was launched upon its mission of education and public service on February 2, 1892. Five courses of study leading to a baccalaureate degree were offered: Agricultural, Chemical, Classical, Engineering and Scientific. A Preparatory Department was established in 1893 for students who were not qualified to pursue a major course of study upon entrance. A three-year normal course leading to a teacher’s certificate was initiated in 1897. The College graduated its first class of degree candidates in May 1898. The normal course of study (teacher education) was extended to four years in 1911 and the Bachelor of Pedagogy degree was awarded to students upon satisfactory completion of the curriculum.

In 1912, the courses of study were changed to Academic, Agricultural, Mechanic Arts and Domestic Science. The Bachelor of Pedagogy degree was awarded upon completion of the academic curriculum. A certificate of graduation was granted upon completion of the other courses of study.

In the 1916-1917 school year, the Preparatory Department was phased out, a Model Grade School was established, and a high school diploma was granted on completion of a four-year course of study. In 1923, a Junior College Division was added. Four-year curricula in the Arts and Sciences, Elementary Education, Home Economics, Agriculture and Industrial Arts were established in 1932. The College graduated its first class of bachelor-degree candidates completing one of these four-year courses of study in June 1934.

In 1944, the College received provisional accreditation by the Middle States Commission on Higher Education (MSCHE). In 1947, the name of the institution was changed to "Delaware State College" by legislative action. In November 1949, the Middle States Commission on Higher Education revoked the accreditation of the institution. This was a severe blow to the prestige of the College. Strenuous efforts were exerted to maintain the existence of the College and to make it an accredited four-year land-grant institution.

At the end of the 1951-52 school year, the High School Division was discontinued. In April 1957, the College was fully accredited by the Middle States Commission on Higher Education. The Middle States Commission on Higher Education in 1962, 1972, 1982, 1987, 1992, 1997, 2002 and 2012 reaffirmed this accreditation. Concurrently, the University achieved and maintained accreditation of its teacher education programs by the Delaware State Board of Education.

On July 1, 1993, Delaware State College turned another chapter in its history when Gov. Thomas Carper signed a name change into law, thus renaming the College to Delaware State University.

Since 1957, the University has grown in stature as a center for teaching, research and public service. The purpose of the University has broadened in keeping with changing times. While recognizing its heritage, the University is among the premier Historically Black Colleges and Universities (HBCU) in the country, while serving a diverse student population. Undergraduate studies are organized into six colleges that contain a total of 19 academic departments, offer 42 bachelor's degrees, 16 master's degrees and five doctoral degrees.

Accreditations include the Accreditation Commission for Education in Nursing, the Council on Social Work Education, the Accreditation Commission for Programs in Hospitality Administration, the Council for the Accreditation of Educator Preparation and the Accreditation Council for Education in Nutrition and Dietetics. The University's College of Business is internationally accredited by the Association to Advance Collegiate Schools of Business.

The underpinning of the growth and development of Delaware State University has been the leadership of its ten presidents, including Wesley P. Webb (1891 – 1895), William C. Jason (1895 – 1923), Richard S. Grossley (1923 – 1942), Howard D. Gregg (1942 – 1949), Oscar J. Chapman (1950 – 1951), Jerome H. Holland (1953 – 1960), Luna I. Mishoe (1960 – 1987), William B. DeLauder (1987 – 2003), Allen L. Sessoms (2003 – 2008) and Harry L. Williams (January 2010 - 2017). Maurice E. Thomasson served as acting president from 1949 to 1950 and from 1951 to 1953. Claibourne D. Smith served as acting president from September 2008 to January 2010, and now Dr. Wilma Mishoe is serving as acting president from January 2018 to present. As a result of their efforts, the University is well positioned to reach new levels of prestige.

As of fall 2017, the University's student enrollment was over 4,600 students. The University's physical infrastructure has grown from its 1891 beginning as a 100-acre property with three buildings to a beautiful 356-acre pedestrian campus with over 50 buildings and four outdoor athletic fields. The University also has two farm properties in the Kenton and Smyrna areas, locations in Wilmington and Georgetown, and its Airway Science Program maintains its fleet of planes and base of operation at the Delaware Air Park in Cheswold.

Mission

Delaware State University is a public, comprehensive, 1890 land-grant institution that offers access and opportunity to diverse populations from Delaware, the nation, and the world. Building on its heritage as a historically black college, the University purposefully integrates the highest standards of excellence in teaching, research, and service in its baccalaureate, master's and doctoral programs. Its commitment to advance science, technology, liberal arts, and the professions produces capable and productive leaders who contribute to the sustainability and economic development of the global community.

Vision Statement

As one of America's most highly respected Historically Black Colleges and Universities, Delaware State University is renowned for a standard of academic excellence that prepares our graduates to become the first choice of employers in a global market and invigorates the economy and the culture of Delaware and the Mid-Atlantic Region.

Core Values

- Community
- Integrity
- Diversity
- Scholarship
- Outreach

At a Glance

- 42 undergraduate degree programs, 16 master's degree programs and five doctoral degree programs
- Accredited by the Middle States Commission on Higher Education (MSCHE), as well as by six specialized academic accrediting agencies
- William C. Jason Library houses more than 490,333 publications, including print volumes, electronic books, electronic journals, media materials and micro books.

To get more information about the University, please visit us at <http://www.desu.edu>

Schedule of Events

The proposed schedule of events subject to the RFP is outlined below:

Deadline for Questions

April 17, 2018 at 10:00 AM (Local Time)

Response to Questions Posted by

April 27, 2018

Deadline for Receipt of Proposals

May 08, 2018 at 3:00 PM (Local Time)

Estimated Notification of Award

TBD

Estimated Contract Start Date

08/01/18

* Each of the above dates is subject to change. Local time means eastern daylight time.

Note: All questions shall be in writing and sent to zchaudhry@desu.edu. Questions should be submitted in the following format. Deviations from this format will not be accepted.

- Section number
- Paragraph number
- Page number
- Text of passage being questioned

Questions not submitted electronically shall be accompanied by a USB memory stick and questions shall be formatted in Microsoft Word. USB containing questions must be received prior to the deadline by the University's designated contact person.

Each proposal must be accompanied by a transmittal letter which briefly summarizes the proposing firm's interest in providing the required professional services. The transmittal letter must also clearly state and justify any exceptions to the requirements of the RFP which the applicant may have taken in presenting the proposal. (Applicant exceptions must also be recorded on Attachment 2).

PREBID MEETING

No Pre-Bid Meeting will be held for this Request for Proposals.

II. Scope of Work/ Services

In the development of its investment advisory program, the University is looking to balance a desire to maximize investment returns on its portfolio while maintaining a prudent level of risk.

- a. The investment objective of the equity fund is to outperform by 1% (100 basis points) per annum (net of fees) the S & P 500 on a risk adjusted basis. University also uses MSCI All World equity fund as an additional benchmark for equities.
- b. The investment objective for the real estate fund is to outperform by 1% (net of fees) the blended "Alternatives" benchmark, adjusted for risk.
- c. University currently uses Barclays Capital Aggregate for bonds as a benchmark. Bond funds should outperform by 1% (100 basis points) per annum (net of fees) as compared to the benchmark, on a risk adjusted basis.

d. The University is interested in an Investment Advisory Services firm that can provide the following services:

- Investment Policy Statement review and ongoing compliance
- Asset allocation—per policy
- Spending policy analysis
- Manager search and selection
- On-going performance analysis and evaluation
- On-going communication and review process

Project Definitions and Objectives

- a. The committee's management objective for the fund is to preserve and enhance its real (inflation-adjusted) purchasing power while providing a relatively predictable stream of income in line with the University's spending needs.
- b. The committee's investment objective for the fund is to attain an average annual real total return¹ (net of investment management fees) of at least 5% over the long term, as measured over rolling five year periods.
- c. The committee's risk tolerance can be characterized as medium to medium low.
- d. *Institutional funds shall be managed in accordance with Delaware Title 12, Chapter 47, Uniform Prudent Management of Institutional Funds Act, "Uniform Management of Institutional Funds Act" (UMIFA) (59 Del Laws, c. 572, &1).*
- e. Assist the University in the execution of investment strategies of all investment portfolios.
- f. Manage to the University's guidelines pursuant to the investment policy.
- g. Review cash flow projections with University's staff to ensure investments are consistent with cash requirements.
- h. Provide monthly reports that include mark-to-market valuation, beginning balance, amount and description of transactions, investment earnings earned and accrued.
- i. Maintain accurate records for all investments that can be viewed by the University at any time.
- j. Prepare quarterly performance reports and be available at applicable meetings to conduct presentations.
- k. Be available to respond to inquiries from internal and/or external auditors.

Proposal Requirement(s)

Threshold Criteria

Proposals submitted which do not meet both of the following minimum threshold requirements will not be considered by the University:

- Proposers must have at least five (5) years' experience in providing the services proposed.
- Proposers must have prior experience providing the services proposed to higher education, not-for-profit 501 (c)(3) organizations.

¹ Real return is the sum of capital appreciation (or loss) and current income (dividends, interest and rents) adjusted for inflation (as measured by the Consumer Price Index).

General Information

1. Provide the name, title, address, telephone number, email address, and fax number of the individual the University should contact with respect to your proposal.
2. Provide a brief description of your firm and its ownership structure. Also include any significant developments, organizational, ownership, or financial structure changes that have occurred since January 1, 2011 or that you anticipate in the future.
3. Provide number of offices, number of clients, type of clients, assets under management.
4. Describe the team that would be assigned to this engagement. Identify the individuals who would be involved and the primary role and responsibilities of each member. Provide current resumes of these individuals in an appendix that will not count against page limitations.
5. Provide a summary of your firm's experience with clients similar to the University.
6. Discuss investment philosophy
7. Discuss number of years, types of client, etc. in non-profit sector
8. Provide the name, title, address, and telephone number of three (3) references with whom you have worked in the last three (3) years (specifically non-profit).

Client Services

1. Indicate the frequency of portfolio review, market letters, and other communications.
2. Form of reports (please provide sample).
3. Frequency of reporting to the University (or other clients)
4. How often would you be available for reviews? Are these reviews at the client site?
5. What unique educational or client service capabilities can you offer a client?

Qualifications to Provide Advisory Services

- a. Provide a summary of your firm's experience in providing advisory services to clients similar to the University. In particular, please discuss your firm's experience in the higher education sector.
- b. Please provide a historical performance of your strategies/accounts/funds for the past one, three, five and ten year periods against the S & P 500 or other relevant indices you would suggest.
- c. What is the average duration (in terms of years) of your client relationships? What is the average size of portfolios for which your firm provides investment advice?
- d. Describe your approach to providing advisory services and the value-added services that you would provide to the University.

Investment Selection

1. Please provide viewpoints on investing in alternative asset classes (i.e., private equity, high yield, hedge fund, etc.), suggested allocation, and minimum entry.
2. If alternative asset classes are recommended in your proposed asset allocation, what experience does your firm have in dealing with alternative investments including negotiating investment agreements with provisions favorable to the investors?

3. Would you recommend any changes to the University's investment policy; if so what's the rational for the recommendation, pros and cons of recommended changes.
4. Discuss your investment decision making process (committee, portfolio manager, external advisory, etc.)

Strategic Recommendations

- a. What would be the key strategies that you would recommend for the Endowment Fund in general? What would be the key strategies that you would recommend for the Endowment Fund, given the current market environment?
- b. How would you recommend balancing the Endowment Fund's liquidity needs with its desire to maximize yield?
- c. What benchmarks would you use to evaluate performance?
- d. Please indicate any alternative or additional services that you are capable of providing that may benefit the University.
- e. Recommended asset allocation and estimated annual rate of return for one, three, five and ten years

III. Format for Proposal/ Required Information

The following information shall be provided in each proposal in the order listed below. Failure to respond to any request for information within this proposal may result in rejection of the proposal at the sole discretion of the University.

A. Minimum Requirements

1. Provide Delaware license(s) and/or certification(s) necessary to perform services as identified in the scope of work.
2. Vendor shall provide responses to the Request for Proposal (RFP) scope of work and clearly identify capabilities as presented in the General Evaluation Requirements below.
3. Complete all appropriate attachments and forms as identified within the RFP.
4. Proof of Errors and Omissions insurance and amount of insurance shall be furnished to the Delaware State University prior to the start of the contract period and shall be no less than as identified in the bid solicitation, insurance section.

B. General Evaluation Requirements

The Evaluation Committee will judge the merits of proposals received in accordance with the criteria described below. The objective of the Evaluation Committee will be to recommend the bidder who is most responsive to the needs of Delaware State University. The specifications within this RFP represent the minimum performance necessary for response. The evaluation committee will forward a recommendation to the Associate Vice President for Contract Administration for approval and issuance of a Notice of Intent to Award.

A. Evaluation Criteria

Evaluation criteria (not listed in any particular order of importance) consist of the following:

a. Experience and qualifications:

1. Ability to meet the needs of the University as outlined herein.
2. Depth of experience as an investment manager/advisor with the types and amounts of assets typical of the endowment profile described herein and with institutions of similar size.
3. Qualifications, experience and availability of the team to be assigned to this account.

b. Financial terms (fees) and the total cost to the University for Proposed Services. Please explain your proposed management fee structure, prepare a spreadsheet that shows DSU's yearly fees and how they are calculated (basis points, graduated scale, etc.) based on the current endowment figure of about \$31 million and its allocation. The review committee will not calculate the fees, they must be shown. Your fee must be an all-inclusive fee of the services your firm will provide.

(Jose' will send corrective wording) The financial terms are subject to negotiation.

c. Quality of products and services, with emphasis on innovative solutions and technologies.

D. Other benefits to the University.

IV. Professional Services RFP Administrative Information/ Evaluation

A. RFP Issuance

1. Public Notice

Public notice has been provided in accordance with 29 Del. C. §§ [6981 and 6982](#).

2. Obtaining Copies of the RFP

This RFP is available in electronic form through the State of Delaware Procurement website at www.bids.delaware.gov. Paper copies of this RFP will not be available.

3. Assistance to Vendors with a Disability

Vendors with a disability may receive accommodation regarding the means of communicating this RFP or participating in the procurement process. For more information, contact the Designated Contact no later than ten days prior to the deadline for receipt of proposals.

4. RFP Designated Contact

All requests, questions, or other communications about this RFP shall be made in writing to the Delaware State University. Address all communications to the person listed below; communications made to other Delaware State University personnel or attempting to ask questions by phone or in person will not be allowed or recognized as valid and may disqualify the vendor. Vendors should rely only on written statements issued by the RFP designated contact.

Delaware State University

Room Number 103, Facilities Management Building

Attention: Zafar Chaudhry, Associate Vice President

1200 North DuPont Highway

Dover, DE 19901-2277

zchaudhry@desu.edu

To ensure that written requests are received and answered in a timely manner, electronic mail (e-mail) correspondence is acceptable, but other forms of delivery, such as postal and courier services can also be used.

5. Consultants and Legal Counsel

The Delaware State University may retain consultants or legal counsel to assist in the review and evaluation of this RFP and the vendors' responses. Bidders shall not contact the University's consultant or legal counsel on any matter related to the RFP.

6. Contact with University Employees

Direct contact with Delaware State University employees other than the Delaware State University Designated Contact regarding this RFP is expressly prohibited without prior consent. Vendors directly contacting Delaware State University employees risk elimination of their proposal from further consideration. Exceptions exist only for organizations currently doing business with the Delaware State University who require contact in the normal course of doing that business.

7. Organizations Ineligible to Bid

Any individual, business, organization, corporation, consortium, partnership, joint venture, or any other entity including subcontractors currently debarred or suspended is ineligible to bid. Any entity ineligible to conduct business in the State of Delaware for any reason is ineligible to respond to the RFP.

8. Exclusions

The Proposal Evaluation Team reserves the right to refuse to consider any proposal from a vendor who:

1. Has been convicted for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of the contract or subcontract;
2. Has been convicted under State or Federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or other offense indicating a lack of business integrity or business honesty that currently and seriously affects responsibility as a State contractor;
3. Has been convicted or has had a civil judgment entered for a violation under State or Federal antitrust statutes;
4. Has violated contract provisions such as;
 - a. Knowing failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or
 - b. Failure to perform or unsatisfactory performance in accordance with terms of one or more contracts;
5. Has violated ethical standards set out in law or regulation; and
6. Any other cause listed in regulations of the State of Delaware determined to be serious and compelling as to affect responsibility as a State contractor, including suspension or debarment by another governmental entity for a cause listed in the regulations.

B. RFP Submissions

1. Acknowledgement of Understanding of Terms

By submitting a bid, each vendor shall be deemed to acknowledge that it has carefully read all sections of this RFP, including all forms, schedules and exhibits hereto, and has fully informed itself as to all existing conditions and limitations.

2. Proposals

To be considered, all proposals must be submitted in writing and respond to the items outlined in this RFP. The University reserves the right to reject any non-responsive or non-conforming proposals. **Each proposal must be submitted with one original paper copy and one electronic copy on USB memory stick.**

All properly sealed and marked proposals are to be sent to the Delaware State University and received no later than the deadline. The Proposals may be delivered by Express Delivery (e.g., FedEx, UPS, etc.), US Mail, or by hand to:

**Delaware State University
Room Number 103, Facilities Management Building
Attention: Zafar Chaudhry, Associate Vice President
1200 North DuPont Highway, Dover, DE 19901-2277**

Vendors are directed to clearly print “BID ENCLOSED” and “CONTRACT NO. 18-04-09-03” on the outside of the bid submission package.

Any proposal received after the Deadline for Receipt of Proposals date shall not be considered and shall be returned unopened. The proposing vendor bears the risk of delays in delivery. The contents of any proposal shall not be disclosed as to be made available to competing entities during the negotiation process.

Upon receipt of vendor proposals, each vendor shall be presumed to be thoroughly familiar with all specifications and requirements of this RFP. The failure or omission to examine any form, instrument or document shall in no way relieve vendors from any obligation in respect to this RFP.

3. Proposal Modifications

Any changes, amendments or modifications to a proposal must be made in writing, submitted in the same manner as the original response and conspicuously labeled as a change, amendment or modification to a previously submitted proposal. Changes, amendments or modifications to proposals shall not be accepted or considered after the hour and date specified as the deadline for submission of proposals.

4. Proposal Costs and Expenses

The Delaware State University will not pay any costs incurred by any Vendor associated with any aspect of responding to this solicitation, including proposal preparation, printing or delivery, attendance at vendor's conference, system demonstrations or negotiation process.

5. Proposal Expiration Date

Prices quoted in the proposal shall remain fixed and binding on the bidder at least through June 30, 2018. The Delaware State University reserves the right to ask for an extension of time if needed.

6. Late Proposals

Proposals received after the specified date and time will not be accepted or considered. To guard against premature opening, sealed proposals shall be submitted, plainly marked with the proposal title, vendor name, and time and date of the proposal opening. Evaluation of the proposals is expected to begin shortly after the proposal due date. To document compliance with the deadline, the proposal will be date and time stamped upon receipt.

7. Proposal Opening

The Delaware State University will receive proposals until the date and time shown in this RFP. Proposals will be opened in the presence of Delaware State University personnel.

8. Non-Conforming Proposals

Non-conforming proposals will not be considered. Non-conforming proposals are defined as those that do not meet the requirements of this RFP. The determination of whether an RFP requirement is substantive or a mere formality shall reside solely within the Delaware State University.

9. Concise Proposals

The Delaware State University discourages overly lengthy and costly proposals. It is the desire that proposals be prepared in a straightforward and concise manner. Unnecessarily elaborate brochures or other promotional materials beyond those sufficient to present a complete and effective proposal are not desired. The Delaware State University's interest is in the quality and responsiveness of the proposal.

10. Realistic Proposals

It is the expectation of the Delaware State University that vendors can fully satisfy the obligations of the proposal in the manner and timeframe defined within the proposal. Proposals must be realistic and must represent the best estimate of time, materials and other costs including the impact of inflation and any economic or other factors that are reasonably predictable.

The Delaware State University shall bear no responsibility or increase obligation for a vendor's failure to accurately estimate the costs or resources required to meet the obligations defined in the proposal.

11. Confidentiality of Documents

Subject to applicable law or the order of a court of competent jurisdiction to the contrary, all documents submitted as part of the vendor's proposal will be treated as confidential during the evaluation process. As such, vendor proposals will not be available for review by anyone other than the Delaware State University/Proposal Evaluation Team or its designated agents. There shall be no disclosure of any vendor's information to a competing vendor prior to award of the contract unless such disclosure is required by law or by order of a court of competent jurisdiction.

The Delaware State University wishes to create a business-friendly environment and procurement process. As such, the University respects the vendor community's desire to protect its intellectual property, trade secrets, and confidential business information (collectively referred to herein as "confidential business information"). Proposals must contain sufficient information to be evaluated. If a vendor feels that they cannot submit their proposal without including confidential business information, they must adhere to the following procedure or their proposal may be deemed unresponsive, may not be recommended for selection, and any applicable protection for the vendor's confidential business information may be lost.

In order to allow the University to assess its ability to protect a vendor's confidential business information, vendors will be permitted to designate appropriate portions of their proposal as confidential business information.

Vendor(s) may submit portions of a proposal considered to be confidential business information in a separate, sealed envelope labeled "Confidential Business Information" and include the specific RFP number. The envelope must contain a letter from the Vendor's legal counsel describing the documents in the envelope, representing in good faith that the information in each document is not

“public record” as defined by 29 Del. C. § 10002, and briefly stating the reasons that each document meets the said definitions.

Upon receipt of a proposal accompanied by such a separate, sealed envelope, the Delaware State University will open the envelope to determine whether the procedure described above has been followed. A vendor's allegation as to its confidential business information shall not be binding on the University. The University shall independently determine the validity of any vendor designation as set forth in this section. Any vendor submitting a proposal or using the procedures discussed herein expressly accepts the University's absolute right and duty to independently assess the legal and factual validity of any information designated as confidential business information. Accordingly, Vendor(s) assume the risk that confidential business information included within a proposal may enter the public domain.

13. Price Not Confidential

Vendors shall be advised that as a publicly bid contract, no Vendor shall retain the right to declare their pricing confidential.

13. Multi-Vendor Solutions (Joint Ventures)

Multi-vendor solutions (joint ventures) will be allowed only if one of the venture partners is designated as the “prime contractor”. The “prime contractor” must be the joint venture’s contact point for the Delaware State University and be responsible for the joint venture’s performance under the contract, including all project management, legal and financial responsibility for the implementation of all vendor systems. If a joint venture is proposed, a copy of the joint venture agreement clearly describing the responsibilities of the partners must be submitted with the proposal. Services specified in the proposal shall not be subcontracted without prior written approval by the Delaware State University, and approval of a request to subcontract shall not in any way relieve Vendor of responsibility for the professional and technical accuracy and adequacy of the work. Further, vendor shall be and remain liable for all damages to the Delaware State University caused by negligent performance or non-performance of work by its subcontractor or its sub-subcontractor.

Multi-vendor proposals must be a consolidated response with all cost included in the cost summary. Where necessary, RFP response pages are to be duplicated for each vendor.

a. Primary Vendor

The Delaware State University expects to negotiate and contract with only one “prime vendor”. The Delaware State University will not accept any proposals that reflect an equal teaming arrangement or from vendors who are co-bidding on this RFP. The prime vendor will be responsible for the management of all subcontractors.

Any contract that may result from this RFP shall specify that the prime vendor is solely responsible for fulfillment of any contract with the University as a result of this procurement. The University will make contract payments only to the awarded vendor. Payments to any subcontractors are the sole responsibility of the prime vendor (awarded vendor).

b. Sub-contracting

The vendor selected shall be solely responsible for contractual performance and management of all subcontract relationships. This contract allows subcontracting assignments; however, vendors assume all responsibility for work quality, delivery, installation, maintenance, and any supporting services required by a subcontractor.

Use of subcontractors must be clearly explained in the proposal, and major subcontractors must be identified by name. **The prime vendor shall be wholly responsible for the entire contract performance whether or not subcontractors are used.** Any sub-contractors must be approved by Delaware State University.

c. Multiple Proposals

A primary vendor may not participate in more than one proposal in any form. Sub- contracting vendors may participate in multiple joint venture proposals.

14. Sub-Contracting

The vendor selected shall be solely responsible for contractual performance and management of all subcontract relationships. This contract allows subcontracting assignments; however, vendors assume all responsibility for work quality, delivery, installation, maintenance, and any supporting services required by a subcontractor.

Use of subcontractors must be clearly explained in the proposal, and subcontractors must be identified by name. Any sub-contractors must be approved by Delaware State University.

15. Discrepancies and Omissions

Vendor is fully responsible for the completeness and accuracy of their proposal, and for examining this RFP and all addenda. Failure to do so will be at the sole risk of vendor. Should vendor find discrepancies, omissions, unclear or ambiguous intent or meaning, or should any questions arise concerning this RFP, vendor shall notify the Delaware State University's Designated Contact, in writing, of such findings at least ten (10) days before the proposal opening. This will allow issuance of any necessary addenda. It will also help prevent the opening of a defective proposal and exposure of vendor's proposal upon which award could not be made. All unresolved issues should be addressed in the proposal.

Protests based on any omission or error, or on the content of the solicitation, will be disallowed if these faults have not been brought to the attention of the Designated Contact, in writing, at least ten (10) calendar days prior to the time set for opening of the proposals.

a. RFP Question and Answer Process

The Delaware State University will allow written requests for clarification of the RFP. All questions shall be received no later than due date and time. All questions will be consolidated into a single set of responses and posted on the State's website at www.bids.delaware.gov. Vendor names will be removed from questions in the responses released. Questions should be submitted in the following format. Deviations from this format will not be accepted.

- Section number
- Paragraph number
- Page number
- Text of passage being questioned

Questions not submitted electronically shall be accompanied by a USB memory stick and questions shall be formatted in Microsoft Word. USB containing questions must be received prior to the deadline by the University's designated contact person.

16. University's Right to Reject Proposals

The Delaware State University reserves the right to accept or reject any or all proposals or any part of any proposal, to waive defects, technicalities or any specifications (whether they be in the Delaware State University's specifications or vendor's response), to sit and act as sole judge of the merit and qualifications of each product offered, or to solicit new proposals on the same project or on a modified project which may include portions of the originally proposed project as the Delaware State University may deem necessary in the best interest of the University.

17. University's Right to Cancel Solicitation

The Delaware State University reserves the right to cancel this solicitation at any time during the procurement process, for any reason or for no reason. The Delaware State University makes no commitments expressed or implied, that this process will result in a business transaction with any vendor.

This RFP does not constitute an offer by the Delaware State University. Vendor's participation in this process may result in the Delaware State University selecting your organization to engage in further discussions and negotiations toward execution of a contract. The commencement of such negotiations does not, however, signify a commitment by the Delaware State University to execute a contract nor to continue negotiations. The Delaware State University may terminate negotiations at any time and for any reason, or for no reason.

18. University's Right to Award Multiple Source Contracting

Pursuant to 29 Del. C. § 6986, the Delaware State University may award a contract for a particular professional service to two or more vendors if the University makes a determination that such an award is in the best interest of the University.

19. Potential Contract Overlap

Vendors shall be advised that the University, at its sole discretion, shall retain the right to solicit for goods and/or services as required by its departments and as it serves the best interest of the University. As needs are identified, there may exist instances where contract deliverables, and/or goods or services to be solicited and subsequently awarded, overlap previous awards. The University reserves the right to reject any or all bids in whole or in part, to make partial awards, to award to multiple vendors during the same period, to award by types, on a zone-by-zone basis or on an item-by-item or lump sum basis item by item, or lump sum total, whichever may be most advantageous to the Delaware State University.

20. Notification of Withdrawal of Proposal

Vendor may modify or withdraw its proposal by written request, provided that both proposal and request is received by the Delaware State University prior to the proposal due date. Proposals may be re-submitted in accordance with the proposal due date in order to be considered further.

Proposals become the property of the Delaware State University at the proposal submission deadline. All proposals received are considered firm offers at that time.

21. Revisions to the RFP

If it becomes necessary to revise any part of the RFP, an addendum will be posted on the State of Delaware's website at www.bids.delaware.gov. The Delaware State University is not bound by any statement related to this RFP made by any Delaware State University employee, contractor or its agents.

22. Exceptions to the RFP

Any exceptions to the RFP, or the Delaware State University's terms and conditions, must be recorded on Attachment 2. Acceptance of exceptions is within the sole discretion of the evaluation committee.

23. Business References

Provide at least three (3) business references consisting of current or previous customers of similar scope and value using Attachment 4. Include business name, mailing address, contact name and phone number, number of years doing business with, and type of work performed. Personal references cannot be considered.

24. Award of Contract

The final award of a contract is subject to approval by the Delaware State University. The Delaware State University has the sole right to select the successful vendor(s) for award, to reject any proposal as unsatisfactory or non-responsive, to award a contract to other than the lowest priced proposal, to award multiple contracts, or not to award a contract, as a result of this RFP.

Notice in writing to a vendor of the acceptance of its proposal by the Delaware State University and the subsequent full execution of a written contract will constitute a contract, and no vendor will acquire any legal or equitable rights or privileges until the occurrence of both such events.

a. RFP Award Notifications

After reviews of the evaluation committee report and its recommendation, and once the contract terms and conditions have been finalized, the Delaware State University will award the contract. The contract shall be awarded to the vendor whose proposal is most advantageous, taking into consideration the evaluation factors set forth in the RFP.

It should be explicitly noted that the Delaware State University is not obligated to award the contract to the vendor who submits the lowest bid or the vendor who receives the highest total point score, rather the contract will be awarded to the vendor whose proposal is the most advantageous to the Delaware State University. The award is subject to the appropriate Delaware State University approvals.

After a final selection is made, the winning vendor will be invited to negotiate a contract with the Delaware State University; remaining vendors will be notified in writing of their selection status.

25. Cooperatives

Vendors, who have been awarded similar contracts through a competitive bidding process with a cooperative, are welcome to submit the cooperative pricing for this solicitation.

C. RFP Evaluation Process

An evaluation team composed of representatives of the Delaware State University will evaluate proposals on a variety of quantitative criteria. Neither the lowest price nor highest scoring proposal will necessarily be selected.

The Delaware State University reserves full discretion to determine the competence and responsibility, professionally and/or financially, of vendors. Vendors are to provide in timely manner any and all information that the Delaware State University may deem necessary to make a decision.

1. Proposal Evaluation Team

The Proposal Evaluation Team shall be comprised of representatives of the Delaware State University. The Team shall determine which vendors meet the minimum requirements pursuant to selection criteria of the RFP and procedures established in 29 Del. C. §§ [6981](#) and [6982](#). The Team may negotiate with one or more vendors during the same period and may, at its discretion, terminate negotiations with any or all vendors. The Team shall make a recommendation regarding the award to the President who shall have final authority, subject to the provisions of this RFP and 29 Del. C. § [6982](#), to award a contract to the successful vendor in the best interests of the Delaware State University.

2. Proposal Selection Criteria

The Proposal Evaluation Team shall assign up to the maximum number of points for each Evaluation Item to each of the proposing vendor's proposals. All assignments of points shall be at the sole discretion of the Proposal Evaluation Team.

Criteria	Weight
Experience and qualifications: <ul style="list-style-type: none"> Ability to meet the needs of the University as outlined herein. Depth of experience as an investment manager/advisor with the types and amounts of assets typical of the endowment profile described herein and with institutions of similar size. Qualifications, experience and availability of the team to be assigned to this account. 	30
Financial terms (fees) and the total cost to the University for Proposed Services. Please explain your proposed management fee structure, prepare a spreadsheet that shows DSU's yearly fees and how they are calculated (basis points, graduated scale, etc.) based on the current endowment figure of about \$21 million and its allocation. The review committee will not calculate the fees, they must be shown. Your fee must be an all-inclusive fee of the services your firm will provide. The financial terms are subject to negotiation.	40
Quality of products and services, with emphasis on innovative solutions and technologies.	20
Other benefits to the University and any other additional Services, References, Flexibility, Resources that are not listed above.	10
Total	100%

The proposals shall contain the essential information on which the award decision shall be made. The information required to be submitted in response to this RFP has been determined by the Delaware State University to be essential for use by the Team in the bid evaluation and award process.

Therefore, all instructions contained in this RFP shall be met in order to qualify as a responsive and responsible contractor and participate in the Proposal Evaluation Team's consideration for award. Proposals which do not meet or comply with the instructions of this RFP may be considered non-conforming and deemed non-responsive and subject to disqualification at the sole discretion of the Team.

The Team reserves the right to:

- Select for contract or for negotiations a proposal other than that with lowest costs.
- Reject any and all proposals or portions of proposals received in response to this RFP or to make no award or issue a new RFP.
- Waive or modify any information, irregularity, or inconsistency in proposals received.
- Request modification to proposals from any or all vendors during the contract review and negotiation.
- Negotiate any aspect of the proposal with any vendor and negotiate with more than one vendor at the same time.

Vendors are encouraged to review the evaluation requirements and to provide a response that addresses each of the items. Evaluators will not be able to make assumptions about a vendor's capabilities so the responding vendor should be detailed in their proposal responses.

3. Proposal Clarification

The Evaluation Team may contact any vendor in order to clarify uncertainties or eliminate confusion concerning the contents of a proposal. Proposals may not be modified as a result of any such clarification request.

4. References

The Evaluation Team may contact any customer of the vendor, whether or not included in the vendor's reference list, and use such information in the evaluation process. Additionally, the Delaware State University may choose to visit existing installations of comparable systems, which may or may not include vendor personnel. If the vendor

is involved in such site visits, the Delaware State University will pay travel costs only for Delaware State University personnel for these visits.

5. Oral Presentations

After initial scoring and a determination that vendor(s) are qualified to perform the required services, selected vendors may be invited to make oral presentations to the Evaluation Team. All vendor(s) selected will be given an opportunity to present to the Evaluation Team.

The selected vendors will have their presentations scored or ranked based on their ability to successfully meet the needs of the contract requirements, successfully demonstrate their product and/or service, and respond to questions about the solution capabilities.

The vendor representative(s) attending the oral presentation shall be technically qualified to respond to questions related to the proposed system and its components. All of the vendor's costs associated with participation in oral discussions and system demonstrations conducted for the Delaware State University are the vendor's responsibility.

D. Contract Terms and Conditions

1. General Information

- a. The term of the contract between the successful bidder and the University shall be for three (3) years. There is an **option** to renew the contract for two (2) one year extensions by negotiation.
- b. The selected vendor will be required to enter into a written agreement with the Delaware State University. The Delaware State University reserves the right to incorporate standard University contractual provisions into any contract negotiated as a result of a proposal submitted in response to this RFP. Any proposed modifications to the terms and conditions of the standard contract are subject to review and approval by the Delaware State University. Vendors will be required to sign the contract for all services, and may be required to sign additional agreements.
- c. The selected vendor or vendors will be expected to enter negotiations with the Delaware State University, which will result in a formal contract between parties. Procurement will be in accordance with subsequent contracted agreement. This RFP and the selected vendor's response to this RFP will be incorporated as part of any formal contract.
- d. The Delaware State University's standard contract will most likely be supplemented with the vendor's software license, support/maintenance, source code escrow agreements, and any other applicable agreements. The terms and conditions of these agreements will be negotiated with the finalist during actual contract negotiations.
- e. The successful vendor shall promptly execute a contract incorporating the terms of this RFP within twenty (20) days after award of the contract. No vendor is to begin any service prior to receipt of a Delaware State University purchase order signed by two authorized representatives of the University requesting service, properly processed through the Delaware State University.
- f. If the vendor to whom the award is made fails to enter into the agreement as herein provided, the award will be annulled, and an award may be made to another vendor. Such vendor shall fulfill every stipulation embraced herein as if they were the party to whom the first award was made.
- g. The University reserves the right to extend this contract on a month-to-month basis for a period of up to three months after the term of the full contract has been completed.

2. Collusion or Fraud

Any evidence of agreement or collusion among vendor(s) and prospective vendor(s) acting to illegally restrain freedom from competition by agreement to offer a fixed price, or otherwise, will render the offers of such vendor(s) void.

By responding, the vendor shall be deemed to have represented and warranted that its proposal is not made in connection with any competing vendor submitting a separate response to this RFP, and is in all respects fair and without collusion or fraud; that the vendor did not participate in the RFP development process and had no knowledge of the specific contents of the RFP prior to its issuance; and that no employee or official of the Delaware State University participated directly or indirectly in the vendor's proposal preparation.

Advance knowledge of information which gives any particular vendor advantages over any other interested vendor(s), in advance of the opening of proposals, whether in response to advertising or an employee or representative thereof, will potentially void that particular proposal.

3. Lobbying and Gratuities

Lobbying or providing gratuities shall be strictly prohibited. Vendors found to be lobbying, providing gratuities to, or in any way attempting to influence a Delaware State University employee or agent of the Delaware State University concerning this RFP or the award of a contract resulting from this RFP shall have their proposal immediately rejected and shall be barred from further participation in this RFP.

The selected vendor will warrant that no person or selling agency has been employed or retained to solicit or secure a contract resulting from this RFP upon agreement or understanding for a commission,

or a percentage, brokerage or contingent fee. For breach or violation of this warranty, the Delaware State University shall have the right to annul any contract resulting from this RFP without liability or at its discretion deduct from the contract price or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee.

All contact with Delaware State University employees, contractors or agents of the Delaware State University concerning this RFP shall be conducted in strict accordance with the manner, forum and conditions set forth in this RFP.

4. Solicitation of University Employees

Until contract award, vendors shall not, directly or indirectly, solicit any employee of the Delaware State University to leave the Delaware State University's employ in order to accept employment with the vendor, its affiliates, actual or prospective contractors, or any person acting in concert with vendor, without prior written approval of the Delaware State University's contracting officer. Solicitation of Delaware State University employees by a vendor may result in rejection of the vendor's proposal.

This paragraph does not prevent the employment by a vendor of a Delaware State University employee who has initiated contact with the vendor. However, Delaware State University employees may be legally prohibited from accepting employment with the contractor or subcontractor under certain circumstances. Vendors may not knowingly employ a person who cannot legally accept employment under state or federal law. If a vendor discovers that they have done so, they must terminate that employment immediately.

5. General Contract Terms

a. Independent Contractors

The parties to the contract shall be independent contractors to one another, and nothing herein shall be deemed to cause this agreement to create an agency, partnership, joint venture or employment relationship between parties. Each party shall be responsible for compliance with all applicable workers compensation, unemployment, disability insurance, social security withholding and all other similar matters. Neither party shall be liable for any debts, accounts, obligations or other liability whatsoever of the other party or any other obligation of the other party to pay on the behalf of its employees or to withhold from any compensation paid to such employees any social benefits, workers compensation insurance premiums or any income or other similar taxes.

It may be at the Delaware State University's discretion as to the location of work for the contractual support personnel during the project period. The Delaware State University may provide working space and sufficient supplies and material to augment the Contractor's services.

b. Licenses and Permits

In performance of the contract, the vendor will be required to comply with all applicable federal, state and local laws, ordinances, codes, and regulations. The cost of permits and other relevant costs required in the performance of the contract shall be borne by the successful vendor. The vendor shall be properly licensed and authorized to transact business in the State of Delaware as provided in 30 Del. C. § [2502](#).

Prior to receiving an award, the successful vendor shall either furnish the Delaware State University with proof of State of Delaware Business Licensure or initiate the process of application where required. An application may be requested in writing to: Division of Revenue, Carvel State Building, P.O. Box 8750, 820 N. French Street, Wilmington, DE 19899 or by telephone to one of the

following numbers: (302) 577-8200—Public Service, (302) 577-8205—Licensing Department.

Failure to comply with the State of Delaware licensing requirements may subject vendor to applicable fines and/or interest penalties.

c. Notice

Any notice to the Delaware State University required under the contract shall be sent by registered mail to:

Delaware State University
Attention: Mr. Thomas P. Preston, General Counsel
Administration Building, 4th Floor
1200 North DuPont Highway
Dover, DE 19901

d. Indemnification

1. General Indemnification

By submitting a proposal, the proposing vendor agrees that in the event it is awarded a contract, it will indemnify and otherwise hold harmless the Delaware State University, its agents and employees from any and all liability, suits, actions, or claims, together with all costs, expenses for attorney's fees, arising out of the vendor's, its agents and employees' performance work or services in connection with the contract, regardless of whether such suits, actions, claims or liabilities are based upon acts or failures to act attributable, whole or part, to the University, its employees or agents.

2. Proprietary Rights Indemnification

Vendor shall warrant that all elements of its solution, including all equipment, software, documentation, services and deliverables, do not and will not infringe upon or violate any patent, copyright, trade secret or other proprietary rights of any third party. In the event of any claim, suit or action by any third party against the Delaware State University, the Delaware State University shall promptly notify the vendor in writing and vendor shall defend such claim, suit or action at vendor's expense, and vendor shall indemnify the Delaware State University against any loss, cost, damage, expense or liability arising out of such claim, suit or action (including, without limitation, litigation costs, lost employee time, and counsel fees) whether or not such claim, suit or action is successful.

e. Insurance

1. Vendor recognizes that it is operating as an independent contractor and that it is liable for any and all losses, penalties, damages, expenses, attorney's fees, judgments, and/or settlements incurred by reason of injury to or death of any and all persons, or injury to any and all property, of any nature, arising out of the vendor's negligent performance under this contract, and particularly without limiting the foregoing, caused by, resulting from, or arising out of any act of omission on the part of the vendor in their negligent performance under this contract.
2. The vendor shall maintain such insurance as will protect against claims under Worker's Compensation Act and from any other claims for damages for personal injury, including death, which may arise from operations under this contract. The vendor is an independent contractor and is not an employee of the Delaware State University.
3. During the term of this contract, the vendor must, at its own expense, obtain and keep in force and effect including all extensions, the minimum coverage limits specified below with a carrier

satisfactory to the University. All contractors must carry the following coverage depending on the type of service or product being delivered.

a. Commercial General Liability - \$1,000,000 per occurrence/\$3,000,000 aggregate,

and

b. Medical/Professional Liability - \$1,000,000 per occurrence/\$3,000,000 aggregate,

or

c. Errors and Omissions - \$1,000,000 per occurrence/\$3,000,000 aggregate,
i. The vendor must have Errors and Omissions coverage for at least or greater than the assets under management.

or

d. Product Liability - \$1,000,000 per occurrence/\$3,000,000 aggregate,

and

e. Automotive Liability Insurance covering all automotive units used in the work with limits of not less than \$100,000 each person and \$300,000 each accident as to bodily injury and \$25,000 as to property damage to other,

and

f. The vendor shall maintain such insurance as will protect against claims under Worker's Compensation Act and from any other claims for damages for personal injury, including death, which may arise from operations under this contract. The vendor is an independent contractor and is not an employee of the University.

All contractors must carry (a), (e), and (f), and at least one of (b), (c), or (d), depending on the type of service or product being delivered.

Before any work is done with the University, a Certificate of Insurance referencing the name and contract number stated herein, shall be filed with the University's Insurance Office that is:

**Delaware State University
Attention Ms. Denese Lindsey
AVP for Systems, Budgeting, and Insurance
Dr. Claiborne D. Smith Administration Building, 3rd Floor,**



1200 North DuPont Highway
Dover, DE 19901-2277

Note: The Delaware State University shall not be named as an additional insured.

Should any of the above described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions.

4. The vendor shall provide a Certificate of Insurance (COI) as proof that the vendor has the required insurance. The COI shall be provided prior to any work being completed by the awarded vendor(s).
5. The Delaware State University shall not be named as an additional insured.
6. Should any of the above described policies be cancelled before expiration date thereof, notice will be delivered in accordance with the policy provisions.

f. Performance Requirements

The selected Vendor will warrant that it possesses, or has arranged through subcontractors, all capital and other equipment, labor, materials, and licenses necessary to carry out and complete the work hereunder in compliance with any and all Federal and State laws, and County and local ordinances, regulations and codes.

g. Vendor Emergency Response Point of Contact

The awarded vendor(s) shall provide the name(s), telephone, or cell phone number(s) of those individuals who can be contacted twenty four (24) hours a day, seven (7) days a week where there is a critical need for commodities or services when the Governor of the State of Delaware declares a state of emergency under the Delaware Emergency Operations Plan or in the event of a local emergency or disaster where a state governmental entity requires the services of the vendor. Failure to provide this information could render the proposal as non-responsive.

In the event of a serious emergency, pandemic or disaster outside the control of the University, the University may negotiate, as may be authorized by law, emergency performance from the Contractor to address the immediate needs of the University, even if not contemplated under the original Contract or procurement. Payments are subject to appropriation and other payment terms.

h. Warranty

The Vendor will provide a warranty that the deliverables provided pursuant to the contract will function as designed for a period of no less than one (1) year from the date of system acceptance. The warranty shall require the Vendor correct, at its own expense, the setup, configuration, customizations or modifications so that it functions according to the University's requirements.

i. Costs and Payment Schedules

All contract costs must be as detailed specifically in the Vendor's cost proposal. No charges other than as specified in the proposal shall be allowed without written consent of the Delaware State University. The proposal costs shall include full compensation for all taxes that the selected vendor is required to pay.

The Delaware State University will require a payment schedule based on defined and measurable milestones. Payments for services will not be made in advance of work performed. The Delaware State University may require holdback of contract monies until acceptable performance is

demonstrated (as much as 25%).

j. Penalties

The Delaware State University may include in the final contract penalty provisions for non-performance, such as liquidated damages.

k. Termination of Contract

The contract resulting from this RFP may be terminated as follows by Delaware State University.

- 1. Termination for Cause:** If, for any reasons, or through any cause, the Vendor fails to fulfill in timely and proper manner its obligations under this Contract, or if the Vendor violates any of the covenants, agreements, or stipulations of this Contract, the University shall thereupon have the right to terminate this contract by giving written notice to the Vendor of such termination and specifying the effective date thereof, at least twenty (20) days before the effective date of such termination. In that event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports or other material prepared by the Vendor under this Contract shall, at the option of the University, become its property, and the Vendor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials which is usable to the University.
- 2. Termination for Convenience:** The University may terminate this Contract at any time by giving written notice of such termination and specifying the effective date thereof, at least twenty (20) days before the effective date of such termination. In that event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, reports, supplies, and other materials shall, at the option of the University, become its property and the Vendor shall be entitled to receive compensation for any satisfactory work completed on such documents and other materials, and which is usable to the University.

I. Non-discrimination

In performing the services subject to this RFP the vendor, as set forth in Title 19 Delaware Code Chapter 7 section [711](#), will agree that it will not discriminate against any employee or applicant with respect to compensation, terms, conditions or privileges of employment because of such individual's race, marital status, genetic information, color, age, religion, sex, sexual orientation, gender identity, or national origin. The successful vendor shall comply with all federal and state laws, regulations and policies pertaining to the prevention of discriminatory employment practice. Failure to perform under this provision constitutes a material breach of contract.

m. Covenant against Contingent Fees

The successful vendor will warrant that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement of understanding for a commission or percentage, brokerage or contingent fee excepting bona-fide employees, bona-fide established commercial or selling agencies maintained by the Vendor for the purpose of securing business. For breach or violation of this warranty the Delaware State University shall have the right to annul the contract without liability or at its discretion to deduct from the contract price or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee.

n. Vendor Activity

No activity is to be executed in an off shore facility, either by a subcontracted firm or a foreign office or division of the vendor. The vendor must attest to the fact that no activity will take place

outside of the United States in its transmittal letter. Failure to adhere to this requirement is cause for elimination from future consideration.

o. Vendor Responsibility

The University will enter into a contract with the successful Vendor(s). The successful Vendor(s) shall be responsible for all products and services as required by this RFP whether or not the Vendor or its subcontractor provided final fulfillment of the order. Subcontractors, if any, shall be clearly identified in the Vendor's proposal by completing Attachment 5, and are subject to the approval and acceptance of Delaware State University.

p. Personnel, Equipment and Services

1. The Vendor represents that it has, or will secure at its own expense, all personnel required to perform the services required under this contract.
2. All of the equipment and services required hereunder shall be provided by or performed by the Vendor or under its direct supervision, and all personnel, including subcontractors, engaged in the work shall be fully qualified and shall be authorized under State and local law to perform such services.
3. None of the equipment and/or services covered by this contract shall be subcontracted without the prior written approval of the University. Only those subcontractors identified in Attachment 5 are considered approved upon award. Changes to those subcontractor(s) listed in Attachment 5 must be approved in writing by the University.

q. Vendor Background Check Requirements

Vendor(s) selected for an award that access University property or come in contact with vulnerable populations, including children and youth, shall be required to complete background checks on employees serving the University. Unless otherwise directed, at a minimum, this shall include a check of the following registry:

Delaware Sex Offender Central Registry at: <https://sexoffender.dsp.delaware.gov/>

r. Work Product

All materials and products developed under the executed contract by the vendor are the sole and exclusive property of the University. The vendor will seek written permission to use any product created under the contract.

s. Contract Documents

The RFP, the purchase order, the executed contract and any supplemental documents between the Delaware State University and the successful vendor shall constitute the contract between the Delaware State University and the vendor. In the event there is any discrepancy between any of these contract documents, the following order of documents governs so that the former prevails over the latter: contract, Delaware State University's RFP, Vendor's response to the RFP and purchase order. No other documents shall be considered. These documents will constitute the entire agreement between the Delaware State University and the vendor.

t. Applicable Law

The laws of the State of Delaware shall apply, except where Federal Law has precedence. The successful vendor consents to jurisdiction and venue in the State of Delaware.

In submitting a proposal, Vendors certify that they comply with all federal, state and local laws applicable to its activities and obligations including:

1. the laws of the State of Delaware;
2. the applicable portion of the Federal Civil Rights Act of 1964;
3. the Equal Employment Opportunity Act and the regulations issued there under by the federal government;
4. a condition that the proposal submitted was independently arrived at, without collusion, under penalty of perjury; and
5. that programs, services, and activities provided to the general public under resulting contract conform to the Americans with Disabilities Act of 1990, and the regulations issued there under by the federal government.

If any vendor fails to comply with (1) through (5) of this paragraph, the Delaware State University reserves the right to disregard the proposal, terminate the contract, or consider the vendor in default.

The selected vendor shall keep itself fully informed of and shall observe and comply with all applicable existing Federal and State laws, and County and local ordinances, regulations and codes, and those laws, ordinances, regulations, and codes adopted during its performance of the work.

u. Severability

If any term or provision of this Agreement is found by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable, the same shall not affect the other terms or provisions hereof or the whole of this Agreement, but such term or provision shall be deemed modified to the extent necessary in the court's opinion to render such term or provision enforceable, and the rights and obligations of the parties shall be construed and enforced accordingly, preserving to the fullest permissible extent the intent and agreements of the parties herein set forth.

v. Assignment Of Antitrust Claims

As consideration for the award and execution of this contract by the University, the Vendor hereby grants, conveys, sells, assigns, and transfers to the Delaware State University all of its right, title and interest in and to all known or unknown causes of action it presently has or may now or hereafter acquire under the antitrust laws of the United States and the State of Delaware, regarding the specific goods or services purchased or acquired for the University pursuant to this contract. Upon either the University's or the Vendor notice of the filing of or reasonable likelihood of filing of an action under the antitrust laws of the United States or the State of Delaware, the University and Vendor shall meet and confer about coordination of representation in such action.

w. Scope of Agreement

If the scope of any provision of the contract is determined to be too broad in any respect whatsoever to permit enforcement to its full extent, then such provision shall be enforced to the maximum extent permitted by law, and the parties hereto consent and agree that such scope may be judicially modified accordingly and that the whole of such provisions of the contract shall not thereby fail, but the scope of such provisions shall be curtailed only to the extent necessary to conform to the law.

x. Affirmation

The Vendor must affirm that within the past five (5) years the firm or any officer, controlling stockholder, partner, principal, or other person substantially involved in the contracting activities of the business is not currently suspended or debarred and is not a successor, subsidiary, or affiliate

of a suspended or debarred business.

y. Audit Access to Records

The Vendor shall maintain books, records, documents, and other evidence pertaining to this Contract to the extent and in such detail as shall adequately reflect performance hereunder. The Vendor agrees to preserve and make available to the University, upon request, such records for a period of five (5) years from the date services were rendered by the Vendor. Records involving matters in litigation shall be retained for one (1) year following the termination of such litigation. The Vendor agrees to make such records available for inspection, audit, or reproduction to any official University representative in the performance of their duties under the Contract. Upon notice given to the Vendor, representatives of the University or other duly authorized State or Federal agency may inspect, monitor, and/or evaluate the cost and billing records or other material relative to this Contract. The cost of any Contract audit disallowances resulting from the examination of the Vendor's financial records will be borne by the Vendor. Reimbursement to the University for disallowances shall be drawn from the Vendor's own resources and not charged to Contract cost or cost pools indirectly charging Contract costs.

z. Other General Conditions

- 1. Volumes and Quantities** – Activity volume estimates and other quantities have been reviewed for accuracy; however, they may be subject to change prior or subsequent to award of the contract.
- 2. Prior Use** – The Delaware State University reserves the right to use equipment and material furnished under this proposal prior to final acceptance. Such use shall not constitute acceptance of the work or any part thereof by the Delaware State University.
- 3. Status Reporting** – The selected vendor will be required to lead and/or participate in status meetings and submit status reports covering such items as progress of work being performed, milestones attained, resources expended, problems encountered and corrective action taken, until final system acceptance.
- 4. Regulations** – All equipment, software and services must meet all applicable local, State and Federal regulations in effect on the date of the contract.
- 5. Assignment** – Any resulting contract shall not be assigned except by express prior written consent from the Delaware State University.
- 6. Changes** – No alterations in any terms, conditions, delivery, price, quality, or specifications of items ordered will be effective without the written consent of the Delaware State University.
- 7. Billing** - The successful bidder (s) is required to bill upon completion, delivery, and installation as specified. All invoices must be identified by the approved purchase order received and be forwarded to: Invoices@desu.edu or to Accounts Payable Department, Administration Building, 3rd Floor, Delaware State University, 1200 N. DuPont Highway, Dover, DE 19901-2277
- 8. Payment** - The University reserves the right to pay by Automated Clearing House (ACH), Purchase Card (P-Card), or check. The University will authorize and process for payment of each invoice within thirty (30) days after the date of receipt of a correct invoice. Vendors are invited to offer in their proposal value added discounts (i.e. speed to pay discounts for specific payment terms). Cash or separate discounts should be computed and incorporated as invoiced.
- 9. Additional Terms and Conditions** – The Delaware State University reserves the right to add terms and conditions during the contract negotiations.

E. RFP Miscellaneous Information

1. No Press Releases or Public Disclosure

The Delaware State University reserves the right to pre-approve any news or broadcast advertising releases concerning this solicitation, the resulting contract, the work performed, or any reference to the Delaware State University with regard to any project or contract performance. Any such news or advertising releases pertaining to this solicitation or resulting contract shall require the prior express written permission of the Delaware State University.

2. Definitions of Requirements

To prevent any confusion about identifying requirements in this RFP, the following definition is offered: The words *shall*, *will* and/or *must* are used to designate a mandatory requirement. Vendors must respond to all mandatory requirements presented in the RFP. Failure to respond to a mandatory requirement may cause the disqualification of your proposal.

3. Production Environment Requirements

The Delaware State University requires that all hardware, system software products, and application software products included in proposals be currently in use in a production environment by at least three other customers, have been in use for at least six months, and have been generally available from the manufacturers for a period of six months. Unreleased or beta test hardware, system software, or application software will not be acceptable.

AWARD AND EXECUTION OF CONTRACT

1. CONSIDERATION OF PROPOSALS

The right is reserved to waive technicalities, to reject any or all bids, or any portion thereof, to seek new proposals, to proceed to do the work otherwise, or to abandon the work, if in the judgment of the University or its agent, the best interest of the University will be promoted thereby.

2. MATERIAL GUARANTY

Before any contract is awarded, the successful Vendor may be required to furnish a complete statement of the origin, composition and manufacture of any or all of the material to be used in the contract together with such samples as may be requested for the purpose of testing.

3. AWARD OF CONTRACT

Within ninety (90) days from the date of opening proposals, the contract may be awarded or the proposals rejected.

4. EXECUTION OF CONTRACT

The Vendor (s) to whom the award is made shall execute a formal contract within twenty (20) days after date of official notice of the award of the contract.

5. WARRANTY

The successful Vendor(s) shall be required to extend any policy guarantee usually offered to the general public, FEDERAL, STATE, COUNTY, or MUNICIPAL governments, on material in this contract against defective material, workmanship, and performance.

6. THE CONTRACT(S)

The contract(s) with the successful Vendor(s) will be executed with the University acting for all participating governmental entities.

7. INFORMATION REQUIREMENT

The successful vendor's shall be required to advise and provide University of the gross costs associated with this contract.

V. PRE-BID MEETING

No Pre-Bid Meeting will be held for this Request for Proposals

VI. PROPOSAL REPLY SECTION

Please fill out the attached forms/ attachments fully and completely and return with your proposal in a sealed envelope.

PUBLIC PROPOSAL OPENINGS

The public proposal opening insures the citizens of Delaware that contracts are being proposed fairly on a competitive basis and comply with Delaware procurement laws. The main purpose of the proposal opening is to reveal the name(s) of the Vendor(s), not to serve as a forum for determining the apparent low Vendors.

NOTE:

ONLY THE VENDOR'S NAME AND ADDRESS WILL BE READ AT THE BID OPENING



VII. Proposal/ Bid Submission Form

**Delaware State University
Investment Advisory Services for University Endowment Fund
Contract Number 18-04-09-03**

By signing this statement, you certify the information provided is accurate and that you are authorized to sign on behalf of the responder. If the contract is awarded, vendor agrees to the terms and conditions of the State of Delaware's standard contract posted at <http://mymarketplace.delaware.gov/agency-forms.shtml> under Agency/Vendor Contract and under Professional Services Agreement. The Delaware State University reserves the right to deny any and all exceptions taken to the RFP requirements. It's further understood that in case of any conflict or inconsistency between the provisions of the contract documents shall be resolved by giving precedence to such documents in the following order: (a) the signed Contract/ Agreement (including any amendments or modifications thereto); (b) the RFP itself; and (c) Vendor's response to the RFP.

Vendor/ Business Name

Authorized Signature/ Date

Address

Printed Name of Authorized Signatory

City, State

Zip Code

Telephone Number

Fax Number

E-Mail Address (clearly print)

Federal EI Number

CONTRACT NO. 18-04-09-03

Attachment 1

CONTRACT TITLE: Investment Advisory Services for University Endowment Fund

NON-COLLUSION STATEMENT

This is to certify that the undersigned Vendor has neither directly nor indirectly, entered into any agreement, participated in any collusion or otherwise taken any action in restraint of free competitive bidding in connection with this proposal, **and further certifies that it is not a sub-contractor to another Vendor who also submitted a proposal as a primary Vendor in response to this solicitation** submitted this date to the Delaware State University.

Note: Signature of the authorized representative **MUST** be of an individual who legally may enter his/her organization into a formal contract with the Delaware State University. Please print everything listed below.

COMPANY NAME _____ Please circle one: Corporation, Partnership, Individual

NAME OF AUTHORIZED REPRESENTATIVE _____ TITLE _____

SIGNATURE _____ DATE _____

COMPANY ADDRESS _____

PHONE # _____ FAX # _____ EMAIL _____

FEDERAL EI # _____ STATE OF DELAWARE BUSINESS LICENSE # _____

COMPANY CLASSIFICATION: _____ CERTIFICATE NO. _____

CERTIFICATION TYPE (S). Please circle all (Yes or No) that applies.			
Minority Business Enterprise (MBE)		Yes	No
Woman Business Enterprise (WBE)		Yes	No
Disadvantaged Business Enterprise (DBA)		Yes	No
Veteran Owned Business Enterprise (VOBE)		Yes	No
Service Disabled Veteran Owned Business Enterprise (SDVOBE)		Yes	No

(Information provided through above table is for informational and statistical use only)

PURCHASE ORDER SHOULD BE SENT TO:

Company Name and Address _____

Contact Name _____ Phone _____ Fax _____ Email _____

AFFIRMATION: Within the past five years, has your firm, any affiliate, any predecessor company or entity, owner, director, officer, partner or proprietor been the subject of a Federal, State, Local government suspension or debarment? Yes _____ or No _____

If yes, please explain _____

THIS PAGE SHALL HAVE ORIGINAL SIGNATURE, BE NOTARIZED, AND RETURNED WITH YOUR PROPOSAL

SWORN TO AND SUBSCRIBED BEFORE ME this _____ day of _____, 20_____

Notary Public _____ My commission expires _____

City of _____ County of _____ State of _____



CONTRACT NO. 18-04-09-03

CONTRACT TITLE: Investment Advisory Services for University Endowment Fund

EXCEPTIONS FORM

Proposals must include all exceptions to the specifications, terms or conditions contained in this RFP. If the vendor is submitting the proposal without exceptions, please state so below.

- By checking this box, the Vendor acknowledges that they take no exceptions to the specifications, terms or conditions found in this RFP.

Note: Vendor may use additional pages as necessary, but the format shall be the same as provided above.



CONTRACT NO. 18-04-09-03

CONTRACT TITLE: Investment Advisory Services for University Endowment Fund

CONFIDENTIAL INFORMATION FORM

By checking this box, the Vendor acknowledges that they are not providing any information they declare to be confidential or proprietary for the purpose of production under 29 Del. C. ch. 100, Delaware Freedom of Information Act.

Confidentiality and Proprietary Information

Note: Vendor may use additional pages as necessary, but the format shall be the same as provided above.

CONTRACT NO. 18-04-09-03

CONTRACT TITLE: Investment Advisory Services for University Endowment Fund

BUSINESS REFERENCES

List a minimum of three business references, including the following information:

- Business Name and Mailing address
- Contact Name and phone number
- Number of years doing business with
- Type of work performed

Please do not list any Personal References or University Employees as a business reference. If you have held a University contract within the last 5 years, please provide a separate list of the contract(s).

1. **Contact Name & Title:**

Business Name:

Address:

Email:

Phone # / Fax #:

Current Vendor (YES or NO):

Years Associated & Type of Work Performed:

2. **Contact Name & Title:**

Business Name:

Address:

Email:

Phone # / Fax #:

Current Vendor (YES or NO):

Years Associated & Type of Work Performed:

3. **Contact Name & Title:**

Business Name:

Address:

Email:

Phone # / Fax #:

Current Vendor (YES or NO):

Years Associated & Type of Work Performed:

CONTRACT NO. 18-04-09-03

CONTRACT TITLE: Investment Advisory Services for University Endowment Fund

SUBCONTRACTOR INFORMATION FORM

PART I – STATEMENT BY PROPOSING VENDOR		
1. CONTRACT NO. 18-04-09-03	2. Proposing Vendor Name:	3. Mailing Address
4. SUBCONTRACTOR		
a. NAME	4c. Company OSD Classification: Certification Number:	
b. Mailing Address:	4d. Women Business Enterprise 4e. Minority Business Enterprise 4f. Disadvantaged Business Enterprise 4g. Veteran Owned Business Enterprise 4h. Service Disabled Veteran Owned Business Enterprise	Yes No Yes No Yes No Yes No Yes No
5. DESCRIPTION OF WORK BY SUBCONTRACTOR		
6a. NAME OF PERSON SIGNING	7. BY (Signature)	8. DATE SIGNED
6b. TITLE OF PERSON SIGNING		
PART II – ACKNOWLEDGEMENT BY SUBCONTRACTOR		
9a. NAME OF PERSON SIGNING	10. BY (Signature)	11. DATE SIGNED
9b. TITLE OF PERSON SIGNING		

* Use a separate form for each subcontractor

CONTRACT NO. 18-04-09-03

CONTRACT TITLE: Investment Advisory Services for University Endowment Fund

BID/ PRICING SHEET

Indicate all fees involved for each of the services you are proposing to provide. Provide any initial and ongoing consulting fees and the custodial and management fees as a percentage of the dollar value of the assets.

**DELAWARE STATE UNIVERSITY
Statement of Investment Objectives and
Guidelines for Investment Managers**

This statement is issued by the Board of Trustees of the Delaware State University (“DSU”) for the guidance of its investment managers in the investment and reinvestment of endowment assets held either by the University or the Delaware State University Foundation, Inc.

INTRODUCTION

The purpose of this Investment Policy (this “Policy”) is to provide guidelines for the prudent management of the Organization’s investments (the “Portfolio”) and is intended to assist the Organization’s Board of Trustees (the “Board”) in supervising and monitoring the Portfolio. The Policy defines the Organization’s investment objectives and the responsibilities of and standards applicable to those involved in the investment and management of the Portfolio.

This Policy is not intended to constitute a legally binding agreement between DSU and Investment Advisor or Investment Manager(s). Any agreement with Investment Advisor or Investment Manager(s) with respect to the Policy would be pursuant to a separate, written agreement with such party. It is recognized that from time to time the Board’s attitudes, expectations and objectives may change. Therefore, this Policy is intended to be used as a guideline rather than a rigid statement of policy from which there can be no deviation. This Policy is intended to be a summary of an investment philosophy and the procedures that provide guidance for DSU, the Board, Investment Committee, Investment Advisor, and Investment Manager(s).

MANAGEMENT AND INVESTMENT OBJECTIVES

The endowment Fund shall be invested with the objective of preserving the long-term real purchasing power of the Reserve Fund’s assets while seeking an appropriate level of investment return. More specifically, the Organization’s investment objectives and constraints for the Reserve Fund include the following:

- Preservation of Purchasing Power. The Organization aims to at least preserve the real purchasing power of its assets over time by seeking returns on its investments that are in excess of the spending rate (described below) and the rate of inflation.
- Long-Term Growth. The Board’s investment objective for the fund is to attain an average annual real total return² (net of investment management fees) of at least 5% over the long term, as measured over rolling five-year periods.
- The Organization seeks to achieve growth in its assets in excess of inflation by emphasizing long-term investment fundamentals in structuring its investments.

² Real total return is the sum of capital appreciation (or loss) and current income (dividends, interest, and rents) adjusted for inflation (as measured by the Consumer Price Index).

- **Time Horizon.** The Organization intends to invest for the long-term, with the total return on the Portfolio evaluated on a five-year rolling basis. It is recognized that not every five-year period will meet the Organization's objectives, but the Organization aims to attain its objectives over a series of five-year periods.
- **Risk Tolerance.** The Board's risk tolerance can be characterized as medium to medium low. The Organization seeks to control risk and reduce the volatility in its Portfolio through diversification. However, short-term volatility is characteristic of the securities markets and will be tolerated if such volatility is consistent with the volatility of similar investment portfolios (such as the volatility of performance benchmarks, described below). The Organization recognizes and acknowledges that some risk must be assumed in order to achieve the long-term investment objectives of the Portfolio. In establishing its risk tolerance, the Organization's ability to withstand short- and intermediate-term variability as well as the statistical probability of loss for a given period of time for the Portfolio is evaluated by the Investment Committee.
- **Liquidity Requirements.** The Organization seeks investment returns that will maintain adequate liquidity to meet its operational requirements for each six month-period as determined by the Board. The Board or Investment Committee will inform the Investment Adviser (as defined below) of any anticipated need for additional liquidity as such need becomes known. The Investment Adviser will presume no liquidity needs other than those provided by this Policy or the Board or Investment Committee.
- Institutional funds shall be managed in accordance with Delaware Title 12, Chapter 47, Uniform Prudent Management of Institutional Funds Act, "Uniform Management of Institutional Funds Act" (UMIFA) (59 Del Laws, c. 572, §1).

PORTRFOLIO COMPOSITION AND RISK

The University, the Foundation, and the Federal Matching funds are managed distinctly; DSU Foundation will follow overall investment guidelines of 65% stocks /35% bonds +/-10, DSU Endowment will follow overall investment guidelines of 73% stocks /27% bonds +/-10, and the DSU Fed matching funds will be managed in compliance with Federal restrictions to the extent possible and following overall investment guidelines of 73% stock/27% bonds+/-10%.

This allocation is based upon the following assumptions:

1. Over the long-term, traditional equities, have historically provided a greater total return than bonds or cash;
2. A long-term perspective is appropriate for a perpetual organization such as Delaware State University;
3. DSU has no compelling operating or legal requirements to support a contrary approach.

DELAWARE STATE UNIVERSITY FOUNDATION INC.

Asset Class	Minimum	Target	Maximum
1. Investment Grade Fixed Income	10.0%	24.8%	35.0%
2. Other Fixed Income	0.0%	9.8%	20.0%
3. US Equity	30.0%	40.5%	50.0%
4. Non-US Equity	15.0%	24.9%	35.0%

SUB-PORTFOLIO 1: DELAWARE STATE UNIVERSITY ENDOWMENT

Asset Class	Minimum	Target	Maximum
1. Investment Grade Fixed Income	14.0%	16.9%	20.0%
2. Other Fixed Income	8.0%	9.8%	11.5%
3. US Equity	33.5%	40.5%	47.5%
4. Non-US Equity	20.5%	24.9%	29.0%

SUB-PORTFOLIO 2-8: DELAWARE STATE UNIVERSITY FEDERAL MATCH GRANT I – VII

Asset Class	Minimum	Target	Maximum
1. Investment Grade Fixed Income	14.0	16.9%	20.0%
2. Other Fixed Income	8.0%	9.8%	11.5%
3. US Equity	33.5%	40.5%	47.5%
4. Non-US Equity	20.5%	24.9%	29.0%

The investment committee has adopted this allocation in recognition of the primary objective of the endowment-- to preserve real purchasing power over time. It is expected that long-term (five to ten years) the total investment return will at least meet, and preferably exceed, the overall investment objective, and respective, benchmark return.

If the value of any asset class is to exceed the maximum level, approval from the Board of Trustees is needed.

It should be noted that the division of the fund's assets by asset class need not necessarily be related to the division of assets by its outside investment managers.

The purpose of dividing the fund in this manner is to ensure that the overall asset allocation between these two major asset classes remains under the regular scrutiny of the Board of Trustees.

1. The purpose of the fixed income fund is to provide a hedge against deflation, to provide more stable returns relative to an all equity fund, and to reduce the overall volatility of the fund.
2. The percentage of total fund assets allocated to the fixed income fund at any time should be sufficient to ensure that neither the current income nor the capital value of the total fund declines by 20% during an extended period of inflation. The fixed income fund for the DSU Foundation should normally represent approximately 34.6% of the total fund assets at market value, 26.7% for the DSU University Endowment and the Federal Matching funds. Although the actual percentage will fluctuate with market conditions, levels less than 20% or in excess of 45% shall be closely monitored by the Development and Investment Committee. To ensure that the ratio does not fall below 20% or rise above 45% level, periodic rebalancing should be carried out as needed.

Responsibilities³

The Board, or such members of the Board as so designated, has responsibility for investing and managing the Portfolio as well as the responsibility for establishing and modifying this Policy, including establishing the asset allocation for the Portfolio. The Board has delegated to the Investment Committee these responsibilities.

The Investment Committee, the Organization's designated staff, the Organization's investment adviser (the "Investment Adviser"), and the investment managers (the "Investment Managers") are charged with implementing this Policy. Their respective responsibilities are set forth below.

Investment Committee

The Investment Committee is responsible for:

- Establishing, reviewing periodically, and modifying this Policy and its appendices from time to time, and reporting any changes to the Board.
- Setting the asset allocation targets and ranges for the Portfolio, and modifying them from time to time.
- Implementing this Policy, with input from Organization staff and the Investment Adviser.
- Overseeing the Portfolio's assets and reporting on the status of the Portfolio to the Board at least two times a year.
- Engaging the Investment Adviser to assist the Investment Committee in carrying out its investment responsibilities and to implement the investment strategy and decisions of the Investment Committee.
- Continuing or terminating the Investment Adviser and monitoring its performance.
- Engaging and continuing or terminating the Investment Adviser's bank custodian, and monitoring its performance.
- Monitoring the fees and other expenses associated with the management and administration of Portfolio.

³ This section can be used to describe the responsibilities and duties of the Board, the Investment Committee, the Investment Adviser, Investment Managers, and the Organization's staff (if applicable) related to investment decisions, hiring investment managers, and monitoring the Portfolio.

Investment Adviser

The Investment Adviser is responsible for:

- Guiding the Investment Committee with respect to the strategic asset allocation.
- Setting and implementing any tactical strategy that seeks to take advantage of market dislocations (*i.e.*, underweight/overweight specific sectors).
- Implementing rebalancing on a periodic basis or when otherwise appropriate.
- **Implementing the Portfolio's asset allocation through the selection, continuation, and termination of Investment Managers.**
- Selecting, continuing, or terminating Investment Managers based on appropriate criteria, including the following: investment philosophy, historical performance, experience of key personnel, and financial viability or changes in these factors. (This Investment Manager Selection responsibility also includes the ongoing monitoring of the Investment Managers for adherence to this Policy and his, her, or its stated investment strategy.)
- **Reviewing Investment Managers, establishing the scope and terms of the delegation to Investment Managers, and monitoring their performance and compliance with the scope and terms of the delegation.**
- Monitoring, analyzing the performance of, and recommending performance benchmarks for each Investment Manager.
- Preparing investment reports at least quarterly for the Investment Committee's review that contain the information necessary for the Investment Committee to exercise its judgment and carry out its investment responsibilities prudently.
- Attending meetings in person or by telephone conference with the Investment Committee and the Organization's staff as requested.
- Providing necessary information to and cooperating with the Investment Committee, Organization staff, and the Organization's external auditors.
- Providing feedback regarding changes to this Policy when requested by the Board or the Investment Committee and proposing corresponding amendments to the relevant account documents, if necessary.

Investment Managers⁴

Each Investment Manager is responsible for:

- Adhering to the investment strategy for which the Investment Manager was selected.
- Acting in accordance with the standard of care and restrictions on investment management set forth in this Policy.
- Preparing quarterly written statements, including a summary of the actions taken with respect to the Organization's assets under management.
- Suggesting performance benchmarks (described below) to facilitate the Investment Committee's and Investment Adviser's evaluation of the Investment Manager's performance.
- To the extent that the Investment Manager is authorized and directed by the Investment Committee or Adviser, voting all proxies for the Organization's securities.

⁴ This section can be used to describe the criteria governing selection of underlying Investment Managers. In addition, the Organization should describe in this section the expectations of each underlying Investment Manager.

- Taking reasonable steps to promptly communicate significant changes in the Investment Manager's firm to the Investment Adviser, including: changes in senior management or high-level personnel; changes in the Investment Manager's ownership; and changes in the Investment Manager's investment strategy and/or style.
- Taking reasonable steps to promptly report to the Investment Adviser any [material] violation of this Policy, and any material adverse determinations against the firm or its principals, either by a court, the Securities Exchange Commission, or any other regulatory authority.

Organization Staff

Organization staff is responsible for assisting the Investment Committee with all components of this Policy, including coordination of outside professionals involved in supporting the investment and management of the Portfolio.

MONITORING OF OBJECTIVES AND RESULTS

1. All objectives and policies are in effect until modified by the Board of Trustees. The Board of Trustees will review these at least annually for their continued appropriateness. The Board may revise these guidelines at any time.
2. If, at any time, an investment manager believes that any policy guideline inhibits his/her investment performance, it is his/her responsibility to communicate clearly this view to the Chairman of the Development and Investment Committee.
3. Each investment manager will report to the Innovation and Sustainability Committee the following information quarterly: total return (on a time-weighted basis) net of all commissions and fees, additions and withdrawals from the account, current holdings at cost and market value, and purchases and sales for the quarter. Regular communication concerning investment strategy and outlook is expected. Additionally, managers are required to inform the Board of Trustees of any change in firm ownership, organizational structure, professional personnel, account structure (e.g., number, asset size, account minimum), or fundamental investment philosophy.

Authority to Act

In any case under these Guidelines where authority to act is placed in the Board of Trustees, if the Board's Innovation and Sustainability Committee determines that action must be taken before the next regularly scheduled meeting of the Board, that Committee shall have the authority to act for the Board, provided that the Committee shall report such action at the next meeting of the Board at which time the Board shall approve or modify such action taken.

In any case under these Guidelines where authority to act is placed in the Board of Trustees, any investment manager may take directions from the Chairman of the Innovation and Sustainability Committee or his or her designee, acting on behalf of the Committee.

Appendix B

DELAWARE STATE UNIVERSITY ENDOWMENT SPENDING RATE POLICY Revised January 15, 2009

Preface

This policy statement is issued by the Board of Trustees of the Delaware State University (the University) for guidance in the spending of endowment funds of the University and the Delaware State University Foundation, Inc.

Gifts are critical to the support of Delaware State University. The Board of Trustees recognizes the importance of establishing policies and procedures to meet the development needs of the University and of directing vigorous efforts to attract private fund support.

An endowment is established by a gift to the Foundation which is restricted by the donor so that the corpus or principal of the gift must be maintained in perpetuity and only the income or capital gain from the gift corpus may be expended by the Foundation. The corpus remains intact in perpetuity, thereby continuing to generate funds to be used by the Foundation. Endowments are divided into the following three categories:

Permanent endowments

Permanent endowments are sometimes referred to as "true" or "pure" endowments and are assets designated by the donor to be held in perpetuity. The corpus of these endowments may never be spent. Earnings and capital gains must be expended in accordance with the terms and conditions established by the donor. However, it must be recognized that the corpus may decline during unfavorable market conditions.

Term endowments

Term endowments are established when the donor specifies that the endowment shall terminate following a particular date or event and that the corpus of the endowment may be expended in accordance with the terms and conditions specified by the donor. Until the passage of the specific date or event, term endowments operate in a manner similar to permanent endowments with expenditures made in accordance with the conditions established by the donor.

Quasi-endowments or Board designated endowments

The Board of Trustees may designate certain institutional funds to be maintained as endowments and will specify the qualifications and set other terms and conditions relating to the fund. The Board of Trustees may change the terms and conditions of the endowment or terminate the endowment.

Unitization of Endowments

The commingled endowment funds, excluding endowments not permitted to be invested in equities shall be unitized and each new endowment gift added to the Fund shall receive units in the fund based upon the market value of the gift and the unit value of the Fund for the preceding quarter. The unit value of the endowment fund shall be determined at least quarterly. Income determined under this spending policy shall be calculated on a unit basis for distribution purposes.

Spending Policy for Unitized Endowments

Delaware State University recognizes the need for spendable income by the beneficiaries of the endowment funds under their custodianship. The following spending policy reflects an objective to distribute as much total return as is consistent with overall investment objectives defined herein while protecting the real value of the endowment principal.

The following definitions are used:

"Total return" is defined as the accepted method of measuring the performance of equity and bond funds; it is the combination of income (interest and dividends) and appreciation/depreciation in the fund's value for a specified period of time.

"Net current yield" is defined as the sum of total interest and dividends earned less investment management costs.

An endowment should be excluded from the target distribution until the endowment has been established for one year.

Unless otherwise determined by the Board of Trustees, the target annual distribution of spendable income to each unit of the endowment fund will be 4.5 percent of the average market value of a unit of the endowment fund for the preceding 12 quarters or the life of the unit, whichever is less. If, at any point of distribution, the fair market value of the endowment is below the corpus of the endowment the annual distribution shall be net current yield during the prior fiscal year. If, in any given fiscal year, the total return shall be less than the target annual distribution, the actual distribution shall be limited to the net current yield for that year, not to exceed the target distribution rate. The actual annual distribution, as determined by the Development and Investment Committee from year to year, shall vary from 0 percent to 5 percent of the average market value of a unit of the endowment fund for the preceding 12 quarters or the life of the unit, whichever is less.

Spendable Dollars is the term applied to the funds calculated and made available (allocated) as per this spending policy. The dollars are determined at March 31 of each fiscal year, for each qualified endowment, and can be accessed by the benefiting department after July 1 of the following fiscal year. The fiscal year runs July 1 through June 30.

The spending policy determines how much of the total return will be allocated and identified as spendable (amount available to distribute) and how much will be reinvested in the endowment investment pool. Total return is defined as the accepted method of measuring the performance of equity and bond funds; it is the combination of income (interest and dividends) and appreciation/depreciation in the fund's value for a specified period of time. Spendable dollars accumulate from year to year, and remain invested until withdrawn from the endowment fund.

Endowments not unitized

Endowments that do not provide for investments in equities will not be unitized and they will receive interest and dividends on their funds invested in fixed income securities.

Management of Funds

Endowment funds are to be managed in accordance with the Delaware State University Statement of Investment Objectives and Guidelines for Investment Managers and Delaware Title 12, Chapter 47, Uniform Prudent Management of Institutional Funds Act, "Uniform Management of Institutional Funds Act" (UMIFA) (59 Del Laws, c. 572, §1).

Management Fees

The Innovation and Sustainability Committee is authorized to retain investment managers to manage the investment of endowment funds of the University and the Delaware State University Foundation, Inc. and to pay such managers such fees as it determines to be appropriate. In selecting each manager, the Committee shall follow procurement policies applicable to the University.