REQUEST FOR PROPOSAL #1551

RFP #1551: **Investment Advisory Services for the Kent State University Foundation**

DATE OF ISSUE: **Monday, September 17, 2018**

SEALED PROPOSALS DUE: **Monday, October 22, 2018; 3:00 PM Eastern**

Sealed proposals must be received at the Kent State University Foundation, located at 350 South Lincoln Street, Kent, Ohio, by the date and time specified above, and opened immediately thereafter for the same Request for Proposal above. Proposals received after that date and time will be returned unopened to the vendor.

Proposals are to be submitted in accordance with the enclosed Proposal Instructions and Specifications. There will not be a formal proposal opening.

The Kent State Foundation shall at all times reserve the right to reject any or all proposals, award partial proposals, waive any proposal informalities or irregularities, and request new proposals if doing so is deemed to be in their best interest.

Questions pertaining to any specifications contained herein should be directed to:

Jessica Vargo, Chief Financial Officer
Kent State University Foundation
350 S. Lincoln Street
Kent, Ohio 44242-0001
Phone: 330-672-0432
Jvargo6@kent.edu

By signing this document, I am agreeing, on behalf of my firm, to the specifications of this Request for Proposal and accepting, without exception or amendment the Instructions, Agreement Terms, and Specifications as set forth in this document. Any and all Purchase Orders resulting from this Request for Proposal shall be subject to these Instructions, Agreement Terms and Specifications, as incorporated herein.

SUBMITTED BY: ____

(Company Name)

AUTHORIZED SIGNATURE: ______________________________ DATE: ______________

____

(Printed Name, Title)

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1.0 PROJECT TIMELINE

All respondents are expected to adhere to the following timeline in completion of the Request for Proposal process:

- **Monday, September 17, 2018:** RFP issued
- **Monday, September 24, 2018, 4:00 PM Eastern:** Deadline to submit questions to Jessica Vargo at Kent State University Foundation via email to jvargo6@kent.edu.
- **Monday, October 22, 2018, 3:00 PM Eastern:** Proposals due; evaluation of proposals to begin immediately thereafter
- **Week of October 29, 2018:** Selection and scheduling of finalists for on-campus presentations/interviews, if necessary
- **Week of November 12, 2018:** Anticipated contract award; contract negotiation, drafting, administrative and legal review and execution to follow
- **January 2019:** Contract inception

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2.0 OVERVIEW OF KENT STATE UNIVERSITY FOUNDATION

Brief Overview of Kent State University Foundation: Incorporated in 1965, the Kent State University Foundation is a not-for-profit entity that receives gifts on behalf of Kent State University, manages and invests those funds, and administers them in accordance with donor wishes.

While serving only Kent State, the foundation is legally separate from it. Financial assets of the foundation will aid the university in ways we cannot even imagine today. The impact of these resources continues to grow over time. Private gifts enable Kent State and its students to achieve levels of excellence not possible through state assistance alone. The foundation is governed by a Board of Directors who safeguard and manage its assets. Many are leaders in the business and professional community. All serve without compensation, contributing their time and expertise to ensure a bright future for Kent State University.

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3.0 REQUEST FOR PROPOSAL INSTRUCTIONS

3.1 **Proposal Instruction and Information:** In order to receive consideration, companies responding to this RFP are required to submit **one (1) soft copy of their proposal on USB or disc** in a sealed envelope or package clearly indicating the contents before and no later than the date and time specified on the RFP.

The coversheet, and all of Section VII and the requirements of Paragraph 3.13—if applicable—must be completed, dated, and signed by a responsible company official, in addition to the information requested of your company. Respondents are required to submit their proposals to **Jessica Vargo by 3:00 PM Eastern on Monday, October 22, 2018** at the following address:

Kent State University Foundation
PO Box 5190
350 S. Lincoln Street
Kent, OH 44242-0001

It is requested that those vendors who do not desire to submit information indicate the same by submitting a "No Response" to the Foundation.

It is the responsibility of the respondent to ensure that all required documentation, as enumerated above, arrives on time and at the designated location. Any submissions received after the stated date and time, or those that do not contain the required information as enumerated above, or the correct number of copies, will be considered incomplete and unresponsive, and will be disqualified.

This RFP is part of a competitive procurement process which helps to serve the Kent State Foundation's best interests. It also provides contractors with a formal and unrestrictive opportunity for their services to be considered. The process of competitive negotiation being used in this case should not be confused with the process of competitive sealed bidding. The latter process is usually used where the goods and services being procured can be precisely described and price is generally the determinative factor. With a RFP and competitive negotiation, however, price is not required to be the determinative factor, although it may be, and the Foundation has the flexibility to negotiate with one or more contractors to arrive at a mutually agreeable relationship. Check your proposal carefully for it may not be corrected after the proposal has been opened.

3.2 **Specifications:** Specifications have been based on products and/or services familiar to the Foundation and are firm as listed. However, acceptable alternates are encouraged and will be considered.

3.3 **Exceptions to Specifications:** The proposer shall clearly state in the quote any exceptions to, or deviations from, these specifications, terms or conditions; otherwise, the proposer will be responsible for compliance with all requirements listed herein. Proposers shall provide a separate, itemized list of any and all exceptions. Such list must be cross referenced to the corresponding numbered item in this bid.

3.4 **Additional Information:** In the event that information submitted by the Respondent is unclear to the Foundation, the Foundation may request additional explanation from the Respondent for the purpose of evaluation and decisions. The respondent shall answer requests for additional information or clarification in writing, and these responses will become part of the company's overall submission. Respondents failing to provide adequate information on any issue in a timely manner to allow a comprehensive evaluation by the Foundation shall be considered unresponsive, and their proposal subject to rejection.

3.5 **Verbal Information:** Respondents shall NOT base the proposal on verbal information from any employee of the Foundation from the date and time the RFP is received by the proposer, unless otherwise noted elsewhere in the RFP. Any such incident will invalidate the proposal, and bar that particular vendor from receiving a purchase or contract award. In case errors or omissions are found in the proposal document, companies submitting proposals shall at once inform the signee in the Foundation who will publish the correction to all companies.

3.6 **Evaluation and Contract Award**: Selection and award of contract will be made to the supplier whose proposal, in the sole opinion of Kent State University Foundation, represents the best overall value to the Foundation. Factors which determine the award include, but will not be limited to, the following: The proposer's responsiveness to all specifications in the RFP; quality of the proposer's financial proposal, brand management and development plan; ability to fulfill the contract; and general responsibility as evidence of past performance. Cost, qualifications, approach to providing services, and implementation and responsiveness will also be considered as determining factors in the contract award.

Notwithstanding the above, this RFP does not commit the Kent State University Foundation to enter into any contracts as described in this document. The Foundation reserves the right to reject any or all offers and to waive formalities and minor irregularities in the proposals it receives.

3.7 **Proposer Presentations:** Proposers submitting proposals which meet the selection criteria and which are deemed to be the most advantageous to the Foundation may be required to give an oral presentation to the Foundation selection team. Scheduling of these oral presentations will be done at a later date.

3.8 **Samples:** Requested samples necessary for evaluation must be provided without cost or obligation to Kent State University Foundation, and shall become the property of the Foundation. Upon request by the supplier, unless destruction, alteration or retention of the sample is required for evaluation purposes, samples may be returned to supplier at supplier's expense.

3.9 **Procedure for Conducting Negotiations:**

—Who To Negotiate With First

After completion of the initial evaluation process, the Foundation may begin negotiations with one or more vendors whose proposals are most in keeping with the Foundation's requirements as enumerated in the RFP. Notification of such negotiations will be offered after a reasonable amount of time has elapsed from the proposal deadline. Negotiations shall continue to the satisfaction of the Foundation or, if the Foundation determines a satisfactory agreement cannot be reached, the Foundation may initiate negotiations with one or more of the remaining vendors.

—Negotiations With Multiple Vendors

The Foundation reserves the right, at all times during the negotiation process, to negotiate with one or more vendors at the same time, but is under no obligation to do so. The vendor(s) with whom the Foundation enters into negotiations must have present a representative with decision-making authority.

—If Negotiations Are Unsuccessful

With respect to any of the services that are a part of this RFP, in the event that the Foundation determines that a contract cannot be negotiated with any of the vendors who respond to the RFP, the Foundation shall have the right to issue a new RFP or other process to seek qualified applicants, to provide the services itself, or to use another process (e.g., sole source contracting) in order to have the product(s) and/or service(s) provided.

3.10 **Valid Proposals:** Proposals will be considered valid for a period of one hundred-twenty (120) days after the scheduled due date, unless otherwise noted.

3.11 **Preference to United States and Ohio Products:** State of Ohio Am. H.B. 271 requires that preference be given to products produced or mined in the United States and in Ohio

3.12 **Buy America:** Proposals will be evaluated to determine that a proposer's offering is for a "domestic source end product", as defined in the Federal Buy America Act, 41 U.S.C.A., section 10a-10d. Any proposer's offering that does not meet this requirement shall be rejected, except in those circumstances where a determination has been made that certain articles, materials and supplies are not mined, produced or manufactured in the U.S. in sufficient and reasonably available commercial quantities and of satisfactory quality.

3.13 **Electronic Information Technology ("EIT") Compliance:** If the proposed product or service is an "EIT" product or service as such products or services are defined below in the following paragraph, then your proposal must include a response to this section. If the proposed product or service is not an EIT product or service, consider section complete.

Kent State University Foundation is committed to ensuring that its electronic and information technologies, including but not limited to, all information provided through university and third-party websites, online learning and course management systems, and curriculum, institutional and administrative data systems, (collectively "electronic information technologies" or "EIT"): (a) provide equal opportunity to the educational benefits and opportunities afforded by the technology; (b) provide equal treatment in the use of such technology; and (c) be accessible to individuals with disabilities in compliance with Section 504 of the Rehabilitation act of 1973, as amended and the Americans with Disabilities Act of 1990, as amended (ADA-AA) and other applicable laws of the State of Ohio.

Vendors submitting a proposal for an "EIT" product(s) and/or service(s), must provide information about the digital accessibility of proposed product(s) and/or services(s). Vendors should carefully read and complete the following steps:

1) Prepare a Voluntary Product Accessibility Template (VPAT) for your product and/or service for submission with your proposal as provided below. If you or your company can provide a current VPAT, skip to 2) below.
    a. Visit **https://www.itic.org/policy/accessibility** to download a blank version of the VPAT 2.0 (October 2017) document. (NOTE - this document has Macros, which means respondents need to enable macros while editing).
    b. Do not edit/delete/modify any sections of the VPAT but simply respond to and fill in the **Name**, **Date**, **Contact Information**, **Notes**, **Standard/Guideline checkboxes** and **Conformance Level and Remarks and Explanations fields**. The document itself provides examples and explanations of how to correctly complete the form.
    c. When completing the VPAT, respondents should follow these guidelines:
        i. If the goods/service *support* a criterion, respondents should indicate at what **conformance level(s)** and how specifically it is supported in **remarks**.
        ii. If the goods/services *do not support* a criterion, respondents should indicate **why it is not supported** in **remarks**.
        iii. If a section or item does not apply to the product or service, indicate "**N/A"** in the field.
    d. Kent State University Foundation may, in its sole discretion, deem as non-responsive, any VPAT that is deemed by the university as incomplete.

3.14 Rights Reserved: The Foundation reserves, and in its sole discretion may, but shall not be required to, exercise the following rights and options with respect to the proposal submission, evaluation and selection process under this RFP:

- To reject any proposal if, in the Foundation's sole discretion, the proposal is incomplete or is not responsive to the requirements of this RFP, the Respondent does not meet the Qualifications set forth in the RFP, or it is otherwise in the Foundation's best interest to do so;

- To supplement, amend, substitute or otherwise modify this RFP at any time prior to selection of one or more respondents for negotiation or to cancel this RFP with or without issuing another RFP;

- To accept or reject specific items or elements in any proposal and award a contract based only on such items or elements if it is deemed in the Foundation's best interest to do so;

- To reject the proposal of any respondent that, in the Foundation's sole judgment, has been delinquent or unfaithful in the performance of any contract with the Foundation, or is financially or technically incapable or is otherwise not a responsible respondent;

- To waive any informality, defect, non-responsiveness and/or deviation from this RFP and its requirements that is not, in the Foundation's sole judgment, material to the proposal;

- To permit or reject at the Foundation's sole discretion, corrections (including for information inadvertently omitted), of proposals by some or all of the respondents following proposal submission;

- To request that some or all of the respondents modify proposals based upon the Foundation's review and evaluation;

- To request additional or clarifying information or more detailed information from any respondent at any time, before or after proposal submission, including information inadvertently omitted by a respondent;

- To inspect and otherwise investigate projects performed by the respondent, whether or not referenced in the proposal, with or without the consent of or notice to the respondent;

- To conduct such investigations with respect to the financial, technical, and other qualifications of respondents as the Foundation, in its sole discretion, deems necessary or appropriate.

- To enter into post-submission negotiations and discussions with any one or more respondents regarding price, scope of services, and/or any other term of their proposals, at any time prior to execution of a final contract. The Foundation may, at its sole election, enter into simultaneous, competitive negotiations with multiple respondents or negotiate with individual respondents seriatim. In the event negotiations with any respondent(s) are not satisfactory to the Foundation, the Foundation reserves the right to discontinue such negotiations at any time; to enter into or continue negotiations with other respondents; and, to solicit new proposals from entities that did not respond to this RFP.

(Proceed to following page.)

4.0 REQUEST FOR PROPOSAL AGREEMENT TERMS

4.1 Contract: All Agreement Terms and Specifications set forth in this Request for Proposal are to become an equal part of the final contract.

The initial term of the agreement will be for two (2) years with a target inception date of January 2019 and an expiration date of December 31, 2020.

It is understood and agreed that Kent State University Foundation reserves the right to extend the contract period a maximum of thirty (30) days beyond the normal expiration of this contract. Any further extension as may be required will be exercised through mutual assent.

After the initial two (2) year term, Kent State University Foundation reserves the right to renew this contract for additional one (1) year terms, with mutual assent, not to exceed three (3) such renewals. Any renewal agreed upon shall occur ninety (90) days prior to the expiration of the contract then in force.

4.2 Termination: Either party may terminate this contract after the expiration of sixty (60) days from the effective date of the contract. Termination may occur by giving the other party ninety (90) days prior written notice of intent to terminate; except that any breach of this contract shall be just cause to terminate immediately the contract and any obligations existing thereunder without any prior notice to you. Termination resulting from breach of contract will be cause, at the sole discretion of the Foundation, to suspend the proposer from submitting a proposal on any project at the Foundation for a period up to three (3) years.

4.3 Choice of Law: This Request for Proposal will be governed by and construed in accordance with the laws of the State of Ohio.

4.4 Contractor Responsibilities: The selected contractor shall be deemed by the Foundation as an independent contractor and shall not, during the term of the contract, or any renewals or extensions thereof, sell, assign, transfer, sublet, or sublease all or any part thereof without the prior written consent of the Foundation; and, should contractor become insolvent, or if proceedings in bankruptcy shall be instituted by or against contractor the remaining or unexpired portion of the contract shall, at the election of the Foundation, be terminated. Contractor will be required to assume responsibility for all services offered whether or not it produces them.

4.5 Value: Because the volume cannot be predetermined, any contract resulting from this RFP will not guarantee a specific amount of business, or income. It should also be noted that any contract resulting from this RFP is not an exclusive contract. The Foundation will reserve the right to place purchase orders in any manner deemed by the Foundation to be in its own best interest.

4.6 Sales Tax: Kent State University Foundation is exempt from Ohio sales tax and federal tax and will furnish an exemption certificate upon request.

4.7 Preferred Invoicing and Payment Methods: The successful proposer must invoice products or services awarded exactly as indicated on a resultant Foundation purchase order, to include cost, unit specified, item descriptions, etc. Kent State University Foundation prefers to receive invoices for services via electronic means.

4.8 Payment Terms and Cash Discounts: Kent State University Foundation will endeavor to use any cash terms offered, and these could be considered in determining the final net price depending on the discount period.

In the event that Kent State University Foundation is entitled to a cash discount, the period of computations will commence on the date of delivery or receipt of a correctly completed invoice, whichever is later. If an adjustment is necessary due to damage, the cash discount period shall commence on the date final approval for payment is authorized. If a discount is part of the contract, but the invoice does not reflect the existence of a cash discount, the Foundation is entitled to a cash discount with the period commencing on the date it is determined that a cash discount applies.

4.9 **<u>Rejection of Services</u>:** All services purchased herein are subject to approval by Kent State University Foundation. Any rejection of services resulting because of nonconformity to the terms and specifications of the contract, whether held by the buyer or returned, will be at the proposer's risk and expense.

4.10 **<u>Product Substitutions</u>:** There will be no substitutions of ordered product allowed unless the Foundation has first been notified and permission granted.

4.11 **<u>Price Adjustment</u>:** All prices quoted are expected to remain firm during the term of the contract; however, in the event of a price change related to an increase or decrease, prices may be changed subject to a negotiated adjustment to reflect such an increase or decrease. Such negotiations and adjustments will be considered only upon written request to the Kent State University Foundation, documented with cost data, filed prior to our request for delivery and submitted after the expiration of ninety (90) days from the date of the proposal closing.

4.12 **<u>Audits</u>:** With advance notice to Vendor, from time to time during the contract term and for five (5) years after termination of the contract, Kent State University Foundation reserves the right to audit Vendor's performance under, and compliance with the requirements of, the contract. The Foundation will utilize all invoicing and documentation, which relates to Kent State University Foundation's final cost, and internal controls documentation required under the contract including, but not limited to any applicable audit or security assessment reports or certifications such as: SAS 70 or its replacement SSAE 16, SOC 2, or ISO 27001, and copies of any applicable corporate information security policies or other supporting documentation. Personnel from Kent State University Foundation and/or Foundation Board may perform these audits. Audit discrepancies must be resolved to the reasonable satisfaction of Kent State University Foundation, and the Foundation reserves the right to terminate the any contract resulting from this RFP if at any time the audit results are not resolved to its reasonable satisfaction.

Vendor must provide access to files and information reasonably necessary, including, but not limited to all cancelled checks, work papers, books, records and accounts upon which invoices are based, and any and all documentation and justification in support of expenditures or fees incurred pursuant to the contract, to validate cost data and internal controls, and assist in the performance of each audit. Audit discrepancies must be resolved to the satisfaction of Kent State University Foundation. Kent State University Foundation reserves the right to terminate the contract at any time if the audit results are not resolved to meet the requirements of Kent State University Foundation.

4.13 **<u>Federal, State and Local Laws</u>:** The proposer shall, in the performance of work or services on this job, fully comply with all applicable federal, state or local laws, rules, regulations and ordinances, and shall hold Kent State University Foundation harmless from any liability from failure of such compliance.

4.14 **<u>Indemnification/Hold Harmless</u>:** Proposer shall indemnify and hold Kent State University Foundation harmless from and against all claims, losses, expenses, damages, causes of actions and liabilities of every kind and nature (including without limitation reasonable attorney's fees), arising out of any alleged breach of any proposer's obligations or warranties or from any other acts or omissions of contractor, its officers, agents, employees and subcontractors.

4.15 **<u>Force Majeure</u>:** If Kent State University Foundation or the contractor is unable to perform any part of its obligations under this contract by reason of force majeure, the party will be excused from its obligations, to the extent that its performance is prevented by force majeure, for the duration of the event. The party must remedy with all reasonable dispatch the cause preventing it from carrying out its obligations under this Contract. The term "force majeure" means without limitation: acts of God; such as epidemics; lightning; earthquakes; fires; storms; hurricanes; tornadoes; floods; washouts; droughts; any other severe weather; explosions; restraint of government and people; war; strikes; and other like events; or any other cause that could not be reasonably foreseen in the exercised of ordinary care, and that is beyond the reasonable control of the party.

4.16 **<u>Proprietary Information Disclosure</u>:** **A**ll responses and accompanying documentation will become the property of the Foundation at the time proposals are opened. All submitted proposal materials may be subject to disclosure under the Ohio Public Records Law (ORC 149.43). Personal Social Security numbers, if provided in Section VI, will be redacted prior to release. If you choose to submit documentation containing information your company considers trade secret, please be aware that the Foundation may have a duty to release the documentation in response to a public record request. If you wish to claim that certain information contained in the materials is trade secret, your company bears the burden of identifying that information, as well as taking steps to demonstrate that it is subject to protection under the law.

4.17 **Marketing and Advertising:** No supplier providing products or services to Kent State University Foundation shall willfully obtain the name, identifying marks or property of Kent State University Foundation for its own promotional purposes.

4.18 **Dun and Bradstreet Data:** Kent State University Foundation reserves the right to request data from Dun and Bradstreet concerning history of company's financial and payment statistics. Proposals from companies failing to provide the requested data to Dun and Bradstreet will not be considered.

4.19 **Equal Employment Opportunity:** Kent State University Foundation is an Equal Opportunity Employer and as such makes the following request: The proposer, in submitting a proposal and /or filling a purchase order, agrees not to discriminate against any employee or applicant for employment with respect to hiring and tenure, terms, conditions, or privileges of employment, or any matter directly or indirectly related to employment, because or race, color, religion, gender, age, sexual orientation, national origin, disability, or identity as a disabled veteran or veteran of the Vietnam era to the extent required by law. The proposer must further agree that every subcontract or order given for the supplying of this order will contain a provision requiring nondiscrimination in employment, as herein specified. This covenant is required pursuant to Federal executive orders 11246 and 11375 and any breach thereof may be regarded as a material breach of the contract or purchase order. Additionally, Proposer must comply with the following:

The Equal Employment Opportunity Act of 1972, as amended, 42 U.S.C. 2000e et seq., which prohibits discrimination in employment because of race, color, religion, sex or national origin. The Rehabilitation Act of 1973, as amended, 29 U.S.C. 701 et seq. and 45 C.F.R. 84.3(J) and (K) implementing Sec. 504 of the Act which prohibits discrimination against qualified individuals with disabilities in the access to or participation in federally-funded services or employment. The Age Discrimination in Employment Act of 1967, as amended, which generally prohibits discrimination based upon age. The Equal Pay Act of 1963, as amended, 29 U.S.C. 206, which provides that an employer may not discriminate on the basis of sex by paying employees of different sexes differently for the same work.

4.20 **Prevailing Wage Rate:** If applicable contractor or subcontractor must agree to pay all employees involved with the installation on this project, the prevailing wage rate as ascertained by the Department of Industrial Relations of the State of Ohio.

4.21 **Supplier Diversity:** Kent State University Foundation encourages women, minority groups, and EDGE vendors to respond to Foundation Requests for Proposals. Kent State University Foundation is committed to a proactive and a comprehensive supplier diversity program that ensures an active and full participation of historically disadvantaged, economically and socially underutilized businesses located within the Foundation's geographic region and beyond with specific attention to include Minority Business Enterprises (MBE), Women-Owned Business Enterprises (WOBE), and State Of Ohio EDGE Enterprises

Further, Kent State University Foundation encourages the participation of women, minority groups, and EDGE vendors in all University contracts. Kent State University Foundation therefore requires that all prospective suppliers demonstrate good faith efforts to obtain the participation of minority-owned, women-owned, and EDGE business enterprises in the work to be performed under University contracts. The supplier shall furnish appropriate information about its effort to include women-owned, minority, and EDGE vendors in the contract, including the identities of such enterprises and the dollar amount supplied under the contract.

4.22 **Conflicts of Interest and Ethics Compliance:** Contractor represents, warrants, and certifies that it and its employees engaged in the administration or performance of the Agreement are knowledgeable of and understand the Ohio Ethics and Conflicts of Interest laws. Contractor further represents, warrants, and certifies that neither Contractor nor any of its employees will do any act that is inconsistent with such laws.

4.23 **Declaration Regarding Material Assistance/Non-Assistance to a Terrorist Organization:** "Contractor hereby represents and warrants to Agency that it has not provided any material assistance, as that term is defined in O.R.C. Section 2909.33(C), to any organization identified by and included on the United States Department of State Terrorist Exclusion List and that it has truthfully answered "no" to every question on the 'Declaration Regarding Material Assistance/Non-Assistance to a Terrorist Organization.' Contractor further represents and warrants that it has provided or will provide such to Agency prior to execution of this Agreement. If these representations and warranties are found to be false, this Agreement is void ab initio and Contractor shall immediately repay to Agency any funds paid under this Agreement."

4.24 **Ohio Revised Code 9.24 Requirement: Finding for Recovery:** Vendor represents and warrants that it is not now, and will not become during the term of any contract resulting from this RFP, subject to an unresolved finding for recovery under ORC Section 9.24 and is not under any suspension or debarment by any office of the state of Ohio or the federal government. If this representation and warranty is found to be false, any contract resulting from this RFP shall be void, and the Vendor shall immediately repay to the university any funds paid under the contract. If Vendor becomes subject to an unresolved finding for recovery under ORC Section 9.24 and/or is suspended or debarred by any office of the state of Ohio or the federal government during the term of the contract, such finding for recovery, suspension or debarment shall be considered a material breach of such contract, and the University may, at its sole discretion, terminate the Contract.

4.25 **Campaign Contributions:** Contractor hereby certifies that all applicable parties listed in Division (l)(3) or (J)(3) of O.R.C. Section 3517.13 are in full compliance with Divisions (l)(1) and (J)(1) of O.R.C. Section 3517.13.

4.26 **Data Security Requirements/PCI Compliance:** Will this product or service have involvement in creating, storing, processing, transmitting, or accessing Foundation data or handling financial transactions?

If yes, will any data be removed by, accessed from, copied to, or created within systems that do not reside within the geographical boundaries of Kent State University Foundation?

If yes, include a copy of any applicable audit or security assessment reports or certifications such as: SAS 70 or its replacement SSAE 16, SOC 2, or ISO 27001 and include copies of any applicable corporate information security policies or other supporting documentation that will substantiate the questionnaire responses.

If an NDA is required for the disbursement of any of this information, provide a copy of the NDA in your response.

If yes, will this product or service participate in the processing of credit card transactions?

If yes, additionally submit a QSA-signed Attestation of Compliance to the PCI-DSS (Payment Card Industry Data Security Standards).

Kent State University Foundation requires that Vendor at all times maintain compliance with current PCI DSS as applicable. Accordingly, the Vendor will be required to provide confirmation of compliance upon request by Kent State University Foundation throughout the contract term. Respondent hereby acknowledges that cardholder data may only be used for execution of the contracted systems or services as described herein, or as required by the PCI DSS, or as required by applicable law.

If, during the contract term, Vendor becomes aware that systems or services provided under the contract falls out of compliance with PCI DSS requirements, the Vendor shall immediately notify the Kent State University Foundation Office of Security and Access Management.

In the event of a breach, intrusion, or unauthorized access to cardholder data, Vendor shall immediately notify the Kent State University Office of Security and Access Management to allow for the PCI DSS breach notification process to commence. Vendor shall provide appropriate payment card companies and their respective designee's access to Company's facilities and all pertinent records to conduct a review of Company's compliance with the PCI DSS requirements. Company acknowledges liability for any and all costs resulting from such breach, intrusion, or unauthorized access to cardholder data deemed to be the fault of Company. Company agrees to assume responsibility for informing all such individuals in accordance with applicable law and to indemnify and hold harmless Kent State University Foundation and its officers and employees from and against any claims, damages, or other harm related to such breach.

4.27 **<u>H.B. 476, State Contract and Boycotting</u>:** Pursuant to R.C. 9.76(B) Vendor represents and warrants that Vendor is not boycotting any jurisdiction with whom the State of Ohio can enjoy open trade, including Israel, and will not do so during the contract period.

4.28 **<u>Electronic Information Technology ("EIT") Compliance</u>:** Kent State University Foundation is committed to ensuring that its electronic and information technologies, including but not limited to, all information provided through Foundation and third-party websites, online learning and course management systems, and curriculum, institutional and administrative data systems, (collectively "electronic information technologies" or "EIT"): (a) provide equal opportunity to the educational benefits and opportunities afforded by the technology; (b) provide equal treatment in the use of such technology; and (c) be accessible to individuals with disabilities in compliance with Section 504 of the Rehabilitation act of 1973, as amended and the Americans with Disabilities Act of 1990, as amended (ADA-AA) and other applicable laws of the State of Ohio.

If this Contract is for the purchase of software or software as a service (SaaS), Vendor shall comply with the Americans with Disabilities Act (ADA), 42 USC 1201 and Section 504 of the Rehabilitation Act, 29 UCS 701. Such compliance includes but is not limited to ensuring that any products or services provided include assistive software or devices such as large print interfaces, text-to-speech output, voice-activated input, refreshable braille displays, and alternate keyboard or pointer interfaces, in a manner consistent with Section 508 of the Rehabilitation Act of 1973 (Section 508), and the Web Accessibility Initiative Web Content Accessibility Guidelines 2.0 (WCAG 2.0). Unless already provided, Vendor must provide a fully completed Voluntary Product Accessibility Template® (VPAT®) for the product/service. Vendor should use the VPAT® 2.0 template from the following website - http://www.kent.edu/node/650996. When filling out the VPAT®, Vendor must carefully respond and make sure to explain why the product may or may not meet accessibility standards.

If Vendor's product(s) or service(s) do not meet the above accessibility standards, Vendor must provide a roadmap to make product(s) or service(s) fully compliant with the above law and standards. In the event that product(s) or service(s) require remediation to be fully accessible Vendor is fully responsible, at its own cost and expense, to bring such product(s) or service(s) in to compliance. Without limiting the effectiveness of Section 32 above, Vendor shall fully indemnify Foundation for any liability arising out of EIT Products or Services that are not in compliance with the above, and the University reserves the right, in its sole discretion to terminate this Contract and exercise any other available remedies available at law.

Continued on next page.

5.0 REQUEST FOR PROPOSAL FORMAT AND EVALUATION CRITERIA

Format and Content of Proposals: To respond to this RFP, submit **one (1) soft copy of your proposal on USB or disc** on or before the submission deadline. The proposal must be signed by a person authorized to bind the proposing form to the representations, commitments and statements contained in this response. Proposals should be prepared as simply as possible and provide a straightforward description of the Proposer's capabilities to satisfy the requirements and goals of the RFP. Proposer should concentrate on accuracy, completeness, and clarity of content. All parts, pages, figures, and tables should be numbered and labeled clearly.

All proposals submitted shall conform to the following format requirements. Deviation from these requirements may disqualify a supplier from consideration. The response must contain the following information and documents:

a. **RFP #1551, Page 1/Coversheet:** Signed and dated.

b. **Section VI:** Provide answers to questions asked and information requested in a format consistent with the organization of this section.

c. **Section VII:** Request for Proposal Response Form and Proposal Forms, Electronic Invoicing and Payment Capability.

d. **If applicable**, evidence of **Electronic Information Technology Compliance**, as described in Paragraph 3.16 and following.

e. **References:** Bidder shall list reference information for three (3) accounts of similar size, preferably with at least one in higher education that speak to the level of commitment, quality of service, and capability of the bidder.

f. **Assumptions, Clarifications, and Exclusions**: Describe any and all of the assumptions, clarifications, or exclusions to the proposal.

g. Provide financial proposal and/or price quotation where indicated in Section VII, or on a separate document if necessary, and include any additional quotation documentation you deem necessary to support your proposal.

Evaluation Criteria and Process: Selection and award of contract will be made to the supplier whose proposal, in the sole opinion of Kent State University Foundation, represents the best overall value to the Foundation. Factors which determine the award include, but will not be limited to, the following: The proposer's responsiveness to all specifications in the RFP; quality of the proposer's financial proposal, brand management and development plan; ability to fulfill the contract; and general responsibility as evidence of past performance. Cost, qualifications, approach to providing services, and implementation and responsiveness will also be considered as determining factors in the contract award.

Continued on next page.

6.0 REQUEST FOR PROPOSAL SPECIFICATIONS

6.1 SCOPE OF SERVICE

The Kent State University Foundation is seeking proposals from qualified, independent management and consulting firms for Investment Advisory Services related to the University Foundation's non-endowment assets. Responders should be experienced in active portfolio management and serving a client base of higher institutions and their foundations.

The Kent State University Foundation currently utilizes the services of a firm in a traditional consulting capacity. The Kent State University Foundation is interested in reviewing innovative strategies and relationships; and therefore solicits proposals for a discretionary model such as an outsourced CIO.

The Kent State University Foundation seeks the following investment advisory services:

1) Collaborating with an investment committee consisting of Kent State University Foundation personnel as well as Board of Trustee members to maintain and update the Kent State University Foundation Investment Policy Statement (IPS). This may include making recommendations such as asset allocations, investment rebalancing, changes in investment managers, and benchmark choices. A copy of the current investment policy is enclosed as Appendix A.

2) Providing timely and well researched recommendations for changes to the portfolio with the goal of income maximization balanced with safeguarding assets and minimizing risk.

3) Providing monthly and quarterly portfolio performance reports.

4) Participating in monthly meetings with an investment team consisting of University Foundation personnel.

5) Ongoing monitoring of portfolio, including manager due diligence and risk management.

6) Preparing and presenting a quarterly and annual review of investment performance and other relevant information to the Board of Trustees Investment Committee.

7) Providing special reports and studies as requested by the Kent State University Foundation

8) Conducting technical research necessary to provide the services listed above.

9) Any other services that the Kent State University Foundation or Investment Advisor feels is in the best interest of the Kent State University Foundation's investment objectives.

The Kent State University Foundation currently maintains two pools of investments as described in the IPS. The short-term pool is maintained by Kent State University Foundation personnel with some input from the investment consultant when requested. The short-term pool enables the Kent State University Foundation to meet its day to day obligations. Although responders are welcome to provide insights related to this portion of the portfolio, the Kent State University Foundation will focus more on input related to the long-term pool. (Please refer to the IPS for discussion related to the current objectives, asset allocations and benchmarks for this pool.)

Information regarding the asset types held in the long-term pool is enclosed as Appendix B.

6.2 SPECIFICATIONS

Responders should include the following information in the given order so as to facilitate comparisons between responses.

1) Firm Profile

   a. Provide a summary of the Firm, including the location of all offices, the year formed and a brief history.

   b. Provide the Firm's website.

   c. Describe the Firm's core mission, vision and values. How often are these items evaluated and how have they changed in the past ten years?

   d. Explain the ownership structure of the Firm, including details with regard to parent of affiliated companies. Describe the financial condition of the Firm, parent and affiliates. Provide information regarding changes in ownership or restructuring that have occurred in the past three years or that are anticipated in the future. Include discussion of any anticipated significant changes in the Firm such as plans for future growth and/or succession planning.

   e. Categorize the Firm's revenue source between retail and institutional accounts.

   f. Identify the types of accounts primarily sought by the Firm.

   g. Provide a representative client list, indicating any client relationship with less than a two (2) year history.

   h. Provide the assets under management and details of the various asset classes under management.

   i. Describe the Firm's average, mean, largest and smallest client size.

   j. Specify the number of years of experience the Firm has with nonprofit entities, specifically higher education institutions and their foundations.

   k. Describe the Firm's historical client turnover rate. Provide the number of clients that have been gained or lost over the past three (3) years. For those clients lost in the last twelve months, please provide the reason(s) for termination.

2) Personnel

   a. Identify key individuals in the Firm and provide a biography of each including education, employment history, and number of years with the Firm.

   b. Identify key staff who would be directly involved in serving the Kent State University Foundation and provide a biography including education, employment history, professional designations, number of years with the Firm, experience with higher education or other institutional client engagements, current position and anticipated role in this engagement. In the event the Firm is selected, the Kent State University Foundation would expect these identified key staff would not be changed without prior written consent. Please acknowledge your ability and willingness to comply with this condition.

   c. How many clients/accounts does each professional or team of professionals support?

   d. Describe the Firm's compensation arrangement for professional staff including any circumstances under which the Firm or any professional receives compensation or finder's fees from investment managers.

   e. Explain the Firm's policies and programs to retain key personnel.

f. Describe how the Firm will provide continuity of services in the case of professional turnover.

g. Describe the turnover of professionals at the Firm for the past three years.

3) Compliance and Control

a. Is the Firm a registered investment advisor under the Investment Advisors Act of 1940? If yes, please provide the latest Form ADV.

b. Describe any situation in which the Firm provides incentives to anyone working with a client to promote one financial product over another.

c. Provide a copy of the Firm's Code of Conduct, Ethics Policy and Conflicts of Interest Policy. How are these policies monitored and enforced?

d. Describe any potential conflicts of interest issues your Firm would have in servicing the Kent State University Foundation.

e. Describe any SEC or regulatory census, litigation or investigation within the last five (5) years involving the Firm, or any of its principals, employees or representatives.

4) Investment Advisory Services

a. Provide the Firm's investment philosophy.

b. Describe the process the Firm would use to help the Kent State University Foundation achieve: 1) appropriate policy statements and objectives; 2) asset allocation; 3) disciplined rebalancing; and 4) tactical asset allocation changes. Include discussion of the Firm's experience in doing so for other similar clients.

c. Discuss the Firm's capability to provide asset modeling studies.

d. Describe the process the Firm uses to develop asset class expected return/risk assumptions.

e. Describe how the Firm monitors and controls portfolio risk.

f. Describe how benchmarks are chosen or developed.

g. Describe the Firm's position regarding the employment of active investments versus passive investments.

h. Describe the Firm's capabilities and approach regarding alternative investments, specifically hedge funds and non-marketable alternative investments. Include the Firm's viewpoints on investing in alternative assets with such information as suggested allocation, types of vehicles, etc.

i. Describe the Firm's philosophy toward utilizing index funds /ETFS.

j. Address the Firm's philosophy toward separately managed accounts and mutual funds.

k. Please provide feedback on the Kent State University Foundation's current asset allocation (see Appendix B) as compared to the Firm's current investment philosophy.

5) Investment Selection and Research

a. Describe the range of investment choices / products the Firm typically offers or recommends.

b. Describe a typical management search process conducted by the Firm.

c. Describe the process the Firm uses to identify potential investment managers. Indicate the quantitative tools utilized by the firm to evaluate managers and the market. In addition, indicate whether these tools were developed in-house or purchased from outside vendors.

d. Does the Firm have in-house professionals dedicated to manager research? If yes, how many and what are their credentials? Describe their role in the selection process. Specify the individuals dedicated to research for alternative investments.

e. Describe how the Firm categorizes equity managers by style.

f. Describe the Firm's approach to ongoing manager due diligence.

g. Describe the Firm's involvement in negotiating fees with investment managers.

h. Describe in detail the Firm's process for review and termination of investment managers. What are the Firm's criteria for placing a manager on a watch list?

6) Performance Measurement/Evaluation and Reporting

a. Describe the Firm's approach, philosophy, capabilities, and experience in providing performance evaluation services.

b. What checks are done to review client portfolio weightings against target, range or a model portfolio? With what frequency is this performed?

c. Include a list of all asset categories tracked in the Firm's performance database and how many years of data are maintained for each.

d. Describe the frequency (e.g. monthly, quarterly) and format of the performance reports produced by the Firm. If possible, include an abbreviated sample report.

e. Specify the time the Firm takes to deliver performance reports after the end of the investment period. What method of delivery is used?

f. Describe the sources of data the Firm uses in calculating investment performance.

g. Does the Firm have the ability to customize reports for clients?

7) Client Interaction

a. Describe the Firm's preferences for client communications. For example, does the Firm prefer all client communication to flow through one contact person?

b. What is a reasonable expectation for frequency of communication including in person meetings (email, conference call, etc.)?

c. What services does the Firm provide for the education of the Kent State University Foundation Investment Committee?

d. Describe how the Kent State University Foundation would transition investment services to the Firm.

e. Discuss the Firm's approach to custodial services, if necessary. Does the Firm prefer the client use certain custodians? If yes, which one(s) and why?

f. How does the Firm interact and work with custodians?

g. Describe the Firm's policies regarding the confidentiality of client information, especially regarding changes or potential changes in outside managers or asset allocation.

h. How does the Firm interact with clients on decision-making? What roles are performed by the client and what roles are performed by the Firm? If the Firm proposes a discretionary model, describe the Kent State University Foundation's level of involvement (if any) in decisions that are aligned with the IPS but represent a change in strategy.

8) Fees

a. Outline the Firm's fee structure and services included. Provide a fee proposal for each of the services the Firm is proposing to provide. If hourly billing rates are part of the fee structure, provide the current billing rates for professionals expected to perform services for the Kent State University Foundation. Indicate if travel costs and miscellaneous expenses are billed separately.

b. Indicate any other form of compensation not yet revealed which the Firm may receive as a result of working with the Kent State University Foundation. Describe the Firm's philosophy on the acceptance of soft dollars and the potential conflicts of interest that may result.

6.3 <u>REFERENCES</u>

Provide names and contact information of three client references within the higher education or not for profit industry. Indicate the length of time serving the client.

Continued on next page.

7.0 REQUEST FOR PROPOSAL RESPONSE FORM AND PROPOSAL FORMS

7.1 Respondent Signature and Information Form:

In addition to the information requested in the previous sections, please complete the following:

By signing below, Contractor warrants that it is not subject to an unresolved finding for recovery under ORC 9.24. If the warranty is false on the date the parties sign an Agreement resulting from this RFP, such and any future Agreement is void *ab initio*, and the Contractor must immediately repay to the State any funds paid under any such Agreement.

TERMS: ______________________________

CONTRACTOR QUOTING: ______________________________

FEDERAL TAX ID No. OR SOCIAL SECURITY No.:______________________________

FIRM NAME:______________________________

ADDRESS:______________________________

____

TELEPHONE No.: ______________________________

FAX No.:______________________________

EMAIL: ______________________________

AUTHORIZED SIGNATURE:______________________________

NAME OF SIGNEE:______________________________

TITLE:______________________________

DATE:______________________________

*All bids submitted are taken by the Foundation as offers to sell by the Proposer and acceptance shall occur only by the issuance of a University purchase order or where appropriate, upon the execution of a written contract.

Continued on next page.

Type of Business (please check all applicable classifications):

	Large.
	Small business – An independently owned and operated business which, together with affiliates, has 250 or fewer employees or average annual gross receipts of $10 million or less averaged over the previous three years. Department of Minority Business Enterprise (DMBE) certified women-owned and minority-owned business shall also be considered small business when they have received DMBE small business certification.
	Women-owned business – A business concern that is at least 51% owned by one or more women who are U. S. citizens or legal resident aliens, or in the case of a corporation, partnership, or limited liability company or other entity, at least 51% of the equity ownership interest is owned by one or more women who are citizens of the United States or non-citizens who are in full compliance with the United States immigration law, and both the management and daily business operations are controlled by one or more women who are U. S. citizens or legal resident aliens.
	Minority-owned business – A business concern that is at least 51% owned by one or more minority individuals or in the case of a corporation, partnership, or limited liability company or other entity, at least 51% of the equity ownership interest in the corporation, partnership, or limited liability company or other entity is owned by one or more minority individuals and both the management and daily business operations are controlled by one or more minority individuals.

7.2 <u>Electronic Invoicing and Payment Capability</u>:

All bidders are required to complete the following information:

Does your company offer electronic invoicing? ___Yes ___No

If yes, please specify method:
____

Is your company capable of receiving payment via ACH transfer? ___Yes ___No

Continued on next page.

8.0 DEFINITIONS

Addendum (a): Written instruments, issued solely by the Kent State University Foundation that detail amendments, changes, modifications, or clarifications to the specifications, terms and conditions of this Request for Proposal (RFP). Such written instruments shall be the sole method employed by the Foundation to amend, change, modify or clarify this RFP, and any claims (from whatever source) that verbal amendments, changes, modifications or clarifications have been made shall be summarily rejected by the Kent State University Foundation.

Agreement, Contract: Formal award resulting from the RFP.

Kent State University Foundation: "Foundation"

May, Should: Indicates something that is requested but not mandatory. If the Proposer fails to provide information, the Kent State University Foundation may, at its sole option, either request that the Proposer provide the information, or evaluate the Proposal without the information.

Proposal Closing Date: The date and time specified in the RFP by which a sealed proposal must be received by the Kent State University Foundation. Proposals received after the stated date and time will not be considered.

Proposal Issue Date: The date and time the RFP process is opened for submission by prospective vendors.

Proposal, Quotation: Response provided by proposer.

Proposer, Vendor, Carrier, Provider: Respondent to the RFP.

RFP: "Request for Proposal"

Shall, Must, Will: Indicates a mandatory requirement. Failure to meet mandatory requirements will invalidate the proposal, or result in the rejection of a proposal as non-responsive.

Appendix A

Operating policy

Investment Policy Statement (IPS)

Introduction

1. This statement of Investment Objectives and Policy (Policy) governs the investment of restricted and unrestricted assets held by the Kent State University Foundation (Foundation) funds. Kent State University Foundation Funds are domiciled in the Foundation's Long Term Pool, Short Term Pool, Reserves for Annuity Contracts, and certain Real Estate related assets.

2. The Kent State University Foundation is an organization as described in Section 501 (c) (3) of the Internal Revenue Service Code of 1986 as amended, and is classified as a public charity. The Kent State University Foundation was initially established in 1965 to support the mission of Kent State University (University).

3. The Policy is set forth in order that donors, the Kent State University Foundation Board, investment managers, investment consultants, custodians, beneficiaries, and the University may be aware of the Board of Directors policies regarding the investment of Kent State University Foundation assets including expectations and requirements.

4. All consultants and managers including outside managers shall be provided with a copy of and shall agree to adhere to this Policy as a condition of continued service on behalf of the Kent State University Foundation.

Effective date: June 1, 2018

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I. Definitions

A. Purpose

The purpose of this Investment Policy Statement (the Policy) is to provide a clear understanding of the investment objectives and philosophy used to guide the Kent State University Foundation's (Foundation) investments. This Policy will describe the structure and supervision of the Funds utilized by the Standing Committee on Investments (Committee) in fulfilling its responsibilities, and serve as a guideline for any investment manager retained.

B. Scope

This policy applies to assets that are a part of the Foundation's investments over which the Board has discretionary authority.

C. Fiduciary duty

In seeking to attain the investment objectives set forth, the Committee shall exercise prudence and appropriate care in accordance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA). All investment actions and decisions must be in support of the mission of the Foundation. All fiduciaries must provide full and fair disclosure to the Board/ Committee of all material facts regarding any potential conflicts of interests.

As summarized for the purposes of this Policy, UPMIFA states that the Committee is under a duty to manage the assets as a prudent investor would, in light of the purposes, scope, objectives and other relevant circumstances. This standard requires the exercise of reasonable care, skill, and caution while being applied to investments not in isolation, but in the context of the portfolio as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the mission of the Foundation. In making and implementing investment decisions, the Committee has a duty to diversify the investments unless, under special circumstances, the purpose of the Foundation is better served without diversifying.

In addition, the Committee must conform to fundamental fiduciary duties of loyalty and impartiality. This requires the Committee to act with prudence in deciding whether and how to delegate authority, in the selection and supervision of agents, and incurring costs where reasonable and appropriate.

D. Description of roles

1. Board of Directors

   The Board of Directors has ultimate responsibility to approve the Investment Policy for the Foundation. The Board of Directors has authorized the Standing Committee on Investments to oversee the Foundation's assets on an ongoing basis.

2. Standing Committee on Investments

   The Committee is responsible for adopting and periodically reviewing the provisions of this Policy. This Policy will be reviewed annually. This responsibility includes approving investment strategy; the hiring and firing of investment managers and custodians; monitoring performance of the assets on a regular basis; and maintaining sufficient knowledge about the assets and its managers to be reasonably assured of their compliance with the Policy. The Committee is also responsible for recommending to the Board the hiring and firing of investment consultants.

3. Investment staff
   The Investment Staff (Staff) has daily responsibility for administration of the Foundation's assets and will consult with the Committee. The Staff will serve as primary contact for the Foundation's investment managers, investment consultant, and custodian.

4. Investment consultant
   The investment consultant is responsible for assisting the Committee and Staff in all aspects of managing and overseeing the investment portfolio. The consultant is the primary source of investment education and investment manager information. On an ongoing basis the consultant will:

   a. Provide proactive recommendations
   b. Supply the Committee with reports (e.g., asset allocation studies, investment research and education) and other information as reasonably requested
   c. Monitor and report the activities of each investment manager or investment fund
   d. Provide the Committee with quarterly performance reports
   e. Review this Investment Policy Statement with the Committee

E. **Investment fund types**

The Kent State University Foundation has allocated its investments into the following groups in order to best serve the mission of the Foundation and its donors:

1. Long-term pool – Investments held with an infinite investment horizon are located in this pool. Investors in this pool include: Endowment funds, Unrestricted funds, Alumni Association funds, and other accounts with a primary long-term objective of capital appreciation
2. Short-term pool – Investments held with a short-term horizon with the primary objective of capital preservation
3. Annuities - Investments designated as reserves for annuity contracts
4. Trusts - Investments segregated for each trust over which the Foundation is trustee
5. Real estate – Investments in real property segregated for specific investment objectives

II. Evaluation and performance measurement

A. Benchmarks

The Committee seeks to outperform its benchmarks over full market cycles and does not expect that all investment objectives will be attained in each year. Furthermore, the Committee recognizes that over various time periods, investments may produce significant deviations relative to the benchmarks. For this reason, investment returns will be evaluated over a full market cycle (for measurement purposes, at least 5 years).

B. Manager evaluation

1. The Committee expects the managers to outperform the benchmarks over a full market cycle. The Committee does not expect that all investment objectives will be attained in each year. Each investment manager will be reviewed on an ongoing basis and evaluated on the following criteria:

   a. Maintaining a stable organization
   b. Retaining key personnel
   c. Avoiding regulatory actions against the firm, its principals, or employees
   d. Adhering to the guidelines and objectives of this Investment Policy Statement

   e. Avoiding a significant deviation from the style and capitalization characteristics defined as “normal” for the manager
   f. Exceeding the return of the appropriate benchmark and, for equity managers, produce positive alpha (risk-adjusted return) within the appropriate volatility limits
   g. Exceeding the median performance of a peer group of managers with similar styles of investing
   h. Maintaining a beta versus the primary benchmark of less than 1.20

2. Although there are no strict guidelines that will be utilized in selecting managers, the Committee will consider the criteria above, as well as, the length of time the firm has been in existence, its track record, assets under management, and the amount of assets the Fund already has invested with the firm.

3. Managers failing to meet these criteria over a full market cycle will undergo extensive qualitative and quantitative analysis. This analysis will focus on the manager’s personnel, philosophy, portfolio characteristics, and peer group performance to determine whether the manager is capable of implementing their defined portion of the overall portfolio structure.

4. Passive (or index) managers are expected to approximate the total return of its respective benchmark. The beta for passive equity managers should approximate 1.00.

5. Private Capital partnerships typically range from 7-15 years in life, during which time the investment may not be able to be sold. Additionally, the partnership may not produce meaningful returns in the early years until these investments begin to mature (often referred to as the J-curve). Private, illiquid manager performance will be measured utilizing internal rate of return (IRR) calculations and compared to an appropriate peer group, rather than a time-weighted return used to measure traditional liquid investments. Private Equity returns will be compared to the appropriate peer group in the Preqin universe of similar style (buyout, venture capital, fund of funds) and vintage year. Other private capital investments will be measured against appropriate industry benchmarks where available, such as the NCREIF Property Index.

III. Guidelines and restrictions

A. Overview

In today's rapidly changing and complex financial world, no list or types of categories of investments can provide continuously adequate guidance for achieving the investment objectives. Any such list is likely to be too inflexible to be suitable for the market environment in which investment decisions must be evaluated. Therefore, the process by which investment strategies and decisions are developed, analyzed, adopted, implemented and monitored, and the overall manner in which investment risk is managed, will determine whether an appropriate standard of reasonableness, care and prudence has been met.

The requirements stated below apply to investments in non-mutual and non-pooled funds, where the investment manager is able to construct a separate, discretionary account. Although the Committee cannot dictate policy to pooled/mutual investment managers, the Committee's intent is to select and retain only pooled/mutual funds with policies that are similar to this policy. All managers (pooled/mutual and separate), however, are expected to achieve the performance objectives. Each traditional equity and fixed income investment manager shall:

1. Have full investment discretion with regard to security selection consistent with this policy
2. Immediately notify the Staff and consultant in writing of any material changes in the investment philosophy, strategy, portfolio structure, ownership, or senior personnel
3. Make no purchase that would cause a position in the portfolio to exceed 5% of the outstanding voting shares of the company or invest with the intent of controlling management

B. Public equity manager guidelines (Including REITs)

1. Each active equity investment manager shall:
    a. Assure that no position of any one company exceeds 5% of the manager’s total portfolio as measured at market
    b. Vote proxies and share tenders in a manner that is in the best interest of the Fund and consistent with the investment objectives contained herein
    c. Maintain a minimum of 25 positions in the portfolio to provide adequate diversification
    d. Construct a properly diversified portfolio across sectors and industries
    e. U.S. equity managers should have no more than 20% of the total portfolio invested in foreign stocks or American Depository Receipts (ADRs)
    f. Exceptions to these guidelines for concentrated or specialist managers must be approved by the Committee

C. Public fixed income manager guidelines

1. Each investment grade fixed income investment manager shall: Maintain an overall weighted average credit rating of A or better by Moody’s and Standard & Poor’s
    a. Hold the majority of assets in investment grade securities (rated Baa/BBB or higher); split rated securities will be governed by the lower rating
    b. Maintain a duration within +/-20% of the effective duration of the appropriate benchmark (does not apply to TIPS or MBS managers)
    c. Assure that any one issuer does not exceed 5% of the manager’s portfolio, as measured at market value, except for securities issued by the U. S. government or its agencies

2. Each high yield/bank loan investment manager shall:
    a. Maintain an overall weighted average credit rating of B or better by Moody’s and Standard & Poor’s
    b. Hold no more than 20% of the portfolio in investments rated below B. Split rated securities will be governed by the lower rating
    c. Assure that any one issuer does not exceed 5% of the manager’s portfolio, as measured at market value, except for securities issued by the U. S. government or its agencies

D. Illiquid and semi-liquid investment guidelines

Each investment will require a signed subscription agreement and limited partnership agreement (LPA). The Foundation may wish to have these documents reviewed by independent legal counsel. As these investments are typically private limited partnerships, limited liability companies, or offshore corporations, the Committee cannot dictate policy. The Committee, however, can request side letters for revisions or addendums to a LPA. The manager is ultimately responsible to manage investments in accordance with the private placement agreement (PPM) and LPA. **Appendix B** provides additional requirements for this type of investment.

The Foundation is a tax-exempt organization, but certain investments may be subject to taxation on Unrelated Business Taxable Income (UBTI). Given that net risk-adjusted returns are the primary objectives, potential tax ramifications must be considered during the investment analysis and selection process.

E. Derivative security guidelines

1. For definition purposes, derivative securities include, but are not limited to, structured notes, lower class tranches of collateralized mortgage obligations (CMOs), collateralized loan obligations (CLOs), principal only (PO) or interest only (IO) strips, inverse floating rate securities, futures contracts, forward contracts, swaps, options, short sales, and margin trading. Before allowing managers to utilize derivative instruments, the Committee shall consider certain criteria including, but not limited to, the following:
   a. Manager's proven expertise
   b. Value added by utilizing derivatives
   c. Liquidity of instruments
   d. Amount of leverage
   e. Management of counterparty risk
   f. Manager's internal risk controls and procedures

2. The strategies in which derivatives can be used are:
   a. Index Funds – Derivatives (typically futures contracts) will be used to securitize cash in order to fully replicate the performance of the index being tracked
   b. Portable Alpha – Derivatives (typically futures or swaps) will be used to generate "beta", while the notional exposure amount is actively managed to generate "alpha"
   c. Fixed Income – Derivatives will be used as a cost efficient means to control and/or hedge risks such as duration, credit, and currency
   d. Overlay/Transition Management – Derivatives (typically futures contracts) will be used to securitize cash to maintain the target asset allocation without buying and selling physical securities
   e. Hedge Funds – Derivatives will be used for many purposes. These uses include hedging, risk management, leverage, and market exposure

IV. Long-term pool

A. Investment objective

The primary investment objective of the Long-term pool (LTP) is to achieve an annualized total return (net of fees and expenses), through appreciation and income, equal to or greater than the rate of inflation (as measured by the broad, domestic Consumer Price Index) plus any spending and administrative fees, thus at a minimum maintaining the purchasing power of the pool. The investments are to be managed in a manner that will meet the primary investment objective, while at the same time attempting to limit volatility. The Foundation understands that the pool's total return during any single measurement period may deviate from the long-term return objective.

1. The primary objective of the LTP is to achieve a total return of at least the amount of inflation plus distributions made in accordance with the endowment management policy currently in effect, net of fees and expenses.

2. A secondary objective is to achieve a total return in excess of the broad policy benchmark comprised of each broad asset category benchmark weighted by its target allocation.

Weight	Asset categories
75%	Global equity / Real Assets
25%	Global fixed income / Diversifying strategies

B. Investment philosophy

1. Strategy

The Committee understands the long-term nature of the LTP and believes that investing in assets with higher return expectations outweighs their short-term volatility risk. As a result, a meaningful allocation will be invested in equity or equity-like securities, including real assets (real estate and natural resources).

Fixed income will be used to reduce short-term volatility and provide stability, especially during periods of deflation and negative equity markets. Absolute return strategies will be considered to augment fixed income. Cash is not a strategic asset of the pool, but is a residual to the investment process and used to meet short-term liquidity needs.

2. Asset allocation

Asset allocation will likely be the key determinant of the pool's returns over the long-term. Therefore, diversification of investments across multiple markets that are not similarly affected by economic, political, or social developments is highly desirable.

A globally diversified portfolio, with uncorrelated returns from various assets, should reduce the variability of returns across time. In determining the appropriate asset allocation, the inclusion or exclusion of asset categories shall be based on the impact to the total pool, in addition to evaluating asset categories on a standalone basis.

The target asset allocation should provide an expected total return equal to or greater than the primary objective of the pool, while avoiding undue risk concentrations in any single asset class or category, thus reducing risk at the overall portfolio level. The investment program will be managed within the ranges stated below.

Weight	Asset categories
60%-80%	Global equity / Real Assets
20%-40%	Global fixed income / Diversifying strategies

To achieve the stated goals within the above equity and fixed income ranges, the Committee will utilize the asset allocation targets and ranges specified in **Appendix A**.

3. Active vs. passive management

   The asset allocation may be implemented using both active and passive investment managers. Highly efficient areas of the capital markets may be managed using primarily index-like funds to gain market exposure at minimal cost. Active managers may be used in less efficient areas and where managers are expected to add value in excess of their fees.

4. Investment styles

   The Committee understands that investment styles (e.g. growth and value) are cyclical, and expects to maintain appropriate diversification among complementary styles to moderate the overall investment risk.

5. Rebalancing

   The Committee believes that one of the most important contributors to long term investment performance is maintaining an active rebalancing program. Accordingly, the portfolio will be automatically rebalanced to target allocations on a quarterly basis whenever the following circumstances occur:

   a. If any asset class (equity, fixed income, alternatives, cash) within the portfolio is +/- 5 percentage points from its target weighting
   b. If any fund within the portfolio has increased or decreased by greater than 20% of its target weighting

   The Committee will review the portfolio at a minimum on a quarterly basis (March 31, June 30, September 30, and December 31) to insure compliance. Whenever possible the addition of new money or withdrawals for spending will be used to rebalance in a cost effective manner.

C. Administration fee

The LTP is operated using the general resources of the Foundation. The costs and expenses of administration incurred by the Foundation for the operation of the LTP shall be recovered through the use of a fee to the pool. The fee is calculated as 1.25% of the LTP market value. The fee shall be assessed on a monthly basis.

V. Other investment fund types

A. Short-term pool

The Short-term pool (STP) serves as a temporary investment group and is intended to hold cash in excess of current needs for operations but of a time period shorter than the horizon of the LTP. The primary objective of investments in the STP is capital preservation. The current portfolio may only be invested in funds or managers that invest in money market funds managed by firms that have assets under management of at least $12 billion; insured certificates of deposit not in excess of the maximum FDIC limit; direct obligations of the Federal Government; federal agencies such as Federal Farm Credit, Fannie Mae, Freddie Mac, etc.; Commercial Paper rated A1/P1; and Bankers' Acceptance or Repurchase Agreements backed by direct obligation of the U.S. Government or federal agencies. The average portfolio duration should be less than 1.25 years and maintain an overall credit quality rating of AAA.

B. Annuities

The investments designated as reserves for annuity contracts between the Foundation and donors. The investments will be accounted for on an individual contract basis. The primary objective of investments is to match the liability profile associated with the group of annuity contracts.

C. Trusts

The Foundation serves as trustee for charitable trusts in which the Foundation is named as a remainder beneficiary. The trust funds are segregated into individual accounts and associated with each specific trust. Investments of the trusts are restricted to publicly listed investments. Further, the investments shall be consistent with those in the LTP. Grantors may request the investment allocation for their trust based on the current schedule of available asset allocations exhibited below.

	Portfolio #		
	1	**2**	**3**
Global equity	Equity	Balanced	Fixed
Domestic			
Large Cap			
Small Cap			
International			
	75.0%	50.0%	25.0%
Global fixed Income			
Intermediate			
Short-term			
	25.0%	50.0%	75.0%

VI. Real estate

Real estate can be acquired in two ways. The first is acquisition as a gift. The second is real estate acquired as an investment.

A. Real estate received as a gift

In order to acquire real estate as a gift, it must first comply with the requirements of the appropriate gift acceptance policy currently in effect. In general, the policy requires real estate received as a gift will be evaluated for the following:

1. If, it is useful relative to supporting the mission of the University, the University can request a grant to transfer ownership, or that the Foundation hold the property on their behalf.

2. If it would be an appropriate investment, it can be maintained as an investment.

3. Not meeting the first two conditions, the property will be sold. The property will be sold in the most efficient means. If the property has not been liquidated within ninety days, the property may be disposed of through auction.

B. Real estate acquired as an investment

Real estate acquired as an investment must be reviewed and acquired based on the desired outcome for the investment.

VII. Policy administration

The Investment Policy Statement may be reviewed and amended by a majority of the Board of Directors, as defined by the Foundation's Code of Regulations, at any time, and will be reviewed, at a minimum, on an annual basis by the Committee on Investments. Notwithstanding any changes in asset allocation, benchmarks or managers shall not be considered a change in policy.

KENT STATE UNIVERSITY FOUNDATION

Investment Policy Statement
Appendix A

	Target	Min	Max
1. GLOBAL EQUITY	**55%**	**45%**	**65%**
US Equities	27%	20%	45%
Large/ Mid Cap			
Small Cap			
International Equities	18%	10%	35%
Developed Large/ Mid / Small Cap			
Emerging Markets			
Hedged Equity	0-5%	0%	10%
Private Equity	5%	0%	10%
2. GLOBAL FIXED INCOME	**20%**	**10%**	**40%**
Interest Rate Sensitive	15%	10%	35%
Core (Inv Grade), TIPS, EMD			
Credit	5%	0%	15%
High Yield			
Private Debt			
3. REAL ASSETS	**10%**	**3%**	**15%**
Real Estate	4%	0%	10%
REITs			
Private Real Estate			
Natural Resources	6%	0%	10%
Commodities, Energy, Resources			
MLP / INfrastructure			
Private Energy / Resources			
4. DIVERSIFYING STRATEGIES	**15%**	**0%**	**20%**
Multi-Strategy HF / Liquid Alts	15%	0%	20%
Hedge - Event, Relative, Macro			
Liquid, Multi-Strategy			
5. CASH AND CASH EQUIVALENTS	**0%**	**0%**	**5%**

Adopted: 3/5/15

Appendix B
Illiquid and semi-liquid investments

Illiquid investments include private equity, private real estate, and natural resources. Hedge funds are considered semi-liquid due to lock-up periods, redemptions, restrictions, and in some cases, illiquidity of the underlying investments. The following illiquid and semi-liquid investments may be considered by the Committee on Investments for inclusion in the LTP.

1. **Private Equity**

   The objective of the private equity allocation is to outperform the public equity markets over the long-term, net of fees. The return premium exists due to the higher risk, lack of liquidity, and the uneven distribution of information and access inherent in private markets.

   For the private equity allocation to achieve the expected objectives without unnecessary risk, the Fund should seek access to top-quality managers and be diversified. Individual funds may be concentrated in a particular sector, stage, or geographic region, but the overall private equity allocation should be diversified. A prudent investment strategy will consider the following areas for diversification.

   a. Sub-Category
      The target allocations to venture capital, buyout, and special situations (distressed, mezzanine, infrastructure etc.) will serve as a guideline for committing capital. As commitments to private equity are drawn down and invested over a period of years, and distributions are returned, the committed capital will be greater than the target allocation in order to reach the target market value.

   b. Vintage Year
      Capital should be committed continuously and thoughtfully over time. Returns are highly dependent on market cycles and stage of the investment cycle. A portfolio diversified by vintage years will reduce unnecessary risk and provide more consistent long-term returns.

   c. Manager
      Investments should be considered with several private partnerships (or a fund of funds) to mitigate manager specific, as well as deal specific risk.

   d. Stage
      Investments should be considered across the life cycle of businesses. Within venture capital, this includes early, mid, and late stage companies. Buyout investments consist of small, mid, and large market firms, and may be in the form of traditional buyouts, growth equity, recapitalizations, or restructuring.

e. Geography
Investments should be considered across the U.S. and internationally (developed and emerging markets).

f. Sector
The portfolio should be diversified by sector, as well as across industries within a sector.

2. **Private real estate**

The objective of the private real estate allocation is to exceed public real estate returns, provide low correlation to the public equity and fixed income markets and serve as an inflation hedge.

For the real estate allocation to achieve the expected objectives without unnecessary risk, the Fund should seek access to top-quality managers and be diversified. Individual funds may be concentrated in a particular region or property type, but the overall real estate allocation should be diversified. A prudent investment strategy will consider the following areas for diversification:

a. Sub-Category
Private real estate investments should be considered in either value-added or opportunistic funds, which are designed to generate excess return for the overall real estate allocation. These strategies typically require some lease-up, development or repositioning, as well as utilize more leverage than public REITs. As commitments to private real estate are drawn down and invested over a period of years, and distributions are returned, the committed capital will be greater than the target allocation in order to reach the target market value.

b. Vintage Year
Capital should be committed continuously and thoughtfully over time. Returns are highly dependent on market cycles and stage of the investment cycle. A portfolio diversified by vintage years will reduce unnecessary risk and provide more consistent long-term returns.

c. Manager
By combining a public REIT allocation as a core holding (also provides liquidity) with investments in several private partnerships (or a fund of funds), manager specific, as well as property specific risk, within the real estate allocation can be diminished.

d. Geography
Investments should be considered across the U.S. and internationally.

e. Property Type
The portfolio should be diversified across property types (e.g., apartments, office, industrial, and retail).

3. **Natural resources**

The objective of the natural resources allocation is provide unique return opportunities with low correlation to the public equity and fixed income markets and serve as an inflation hedge. These investments should be primarily in the private markets, which offer inefficiencies that can be exploited.

For the natural resource allocation to achieve the expected objectives without unnecessary risk, the Fund should seek access to top-quality managers and be diversified. Individual investments may be concentrated in a particular region, production stage, or commodity exposure, but the overall allocation should be diversified. A prudent investment strategy will consider the following areas for diversification.

a. Sub-Category
The target allocations to energy and timber investments will serve as a guideline for committing capital. As commitments to natural resources are drawn down and invested over a period of years, and distributions are returned, the committed capital will be greater than the target allocation in order to reach the target market value.

b. Vintage Year
Capital should be committed continuously and thoughtfully over time. Returns are highly dependent on market cycles and stage of the investment cycle. A portfolio diversified by vintage years will reduce unnecessary risk and provide more consistent long-term returns.

c. Manager
Investments should be committed to several private partnerships (or a fund of funds) to mitigate manager specific, as well as deal specific risk.

d. Geography
Investments should be spread across the U.S. and internationally.

e. Stage/Type
   i. Energy
   Investments in energy funds will focus primarily on the upstream and midstream end of the energy market with development and production, and infrastructure. Exposure will be gained through private equity investments, working interests, and royalty interests. Investment in downstream activities such as refining, transmission, and distribution may be considered opportunistically.

   ii. Timber
   Investments with Timber Investment Management Organizations (TIMOs) should be diversified by wood type (hard and softwood, species, etc.). Investing in TIMOs exposes the portfolio to timber prices, providing inflation protection, with the potential to generate additional return through the underlying management of the timberland.

4. **<u>Hedge funds</u>**

The objective of the hedge fund allocation is to diversify the Fund and provide returns with low correlation to the public equity and fixed income markets via structural advantages, including controlling market exposure through hedging and increased exposure to manager skill through unconstrained investment management and opportunistic investing.

Hedge funds are not an asset class, but rather an investment vehicle. The majority of hedge funds will have a “lock-up” period of 1-3 years from the date of investment, during which time money generally cannot be withdrawn. Once the lock-up period expires, most hedge funds will then allow redemptions only at scheduled intervals (quarterly, semi-annually, etc.). Hedge funds, therefore, are semi-liquid investments due to the structure of the vehicle rather than the underlying investments (which may or may not be liquid).

For the hedge fund allocation to achieve the expected objectives without unnecessary risk, the Fund should seek access to skilled managers and be diversified. Individual hedge funds may be concentrated on a particular strategy, market or geographic region, but the overall allocation should be diversified. A prudent investment strategy will consider the following areas for diversification.

a. Strategy
   The hedge fund universe can be divided into two broad categories: Equity Hedge and Absolute Return. Below are the definitions and examples of these strategies.

   i. Equity Hedge (Directional long/short)
      These strategies tend to opportunistically invest in a broadly defined market with few constraints. As directional strategies, these funds will tend to be somewhat correlated with market movements, but generally do not closely track a market benchmark. These funds will generally take both long and short positions, use leverage, and actively manage market exposure. These investments generally fall into the Global Equity category. However, because of their lower net exposure to the market, they tend to underperform in strong equity markets and protect better during market declines.

   ii. Absolute Return
      These strategies are generally non-directional (not correlated to the markets) and tend to utilize multiple strategies that seek to exploit idiosyncratic (unique, non-market) risks that are not impacted by broad economic, political, or social events. Examples of these strategies include: Equity Market Neutral, Fixed Income Arbitrage, Merger Arbitrage, Convertible Arbitrage, Global Macro, and Relative Value Arbitrage. These investments generally fall into the Diversifying Strategies category.

b. Manager Diversification
   Hedge fund exposure should be diversified to mitigate manager specific and strategy specific risks. Diversified allocations can be achieved using hedge fund-of-funds, a group of direct hedge fund managers, or a “core-satellite” approach of combining a core fund-of-funds allocation with satellite investments in direct funds.

Appendix B

Kent State University Foundation

Asset Types
7/31/18

Long-term Pool

	Current Weight
Global Equity	
US Equity	
Large / Mid capitalization	
Dodge and Cox Stock	6.9%
Harbor Capital Appreciation	8.4%
Schwab Fund. U.S. Large Co Idx	4.9%
Vanguard Institutional Index Fund	9.2%
	29.4%
Small capitalization	
Longleaf Partners Small-Cap	3.0%
Driehaus Small Cap Recovery Growth	3.2%
	6.2%
International Equity	
Developed Markets	
Templeton Foreign Equity	7.6%
William Blair	3.8%
Harbor International Equity	7.0%
	18.4%
Emerging Markets	
Vanguard Emerging Markets Index ETF	4.4%
Harding Loevner Emerging Markets	3.5%
	8.0%
Hedged Equity	
Pointer	**3.0%**
Private Equity	
Amberbrook VII	1.0%
Coller International VII	0.5%
Ohio Innovation Fund	0.4%
FEG POF	1.1%
	3.1%
	68.1%
Global Fixed Income	
Doubleline Total Return	6.9%
Vanguard Inflation-Protected SECS Fund	2.9%
Vanguard Intermediate-Term Bond ETF	2.9%
JPMorgan Intermediate Fund	6.5%
	19.2%
Real Assets	
Harvest MLP	3.4%
Wellington real asset fund	3.1%
	6.4%
Diversifying Strategies	
Student Managed Investment Fund	0.3%
BlackRock Appreciation Strategy Fund	5.7%
	6.0%
Cash and Equivalents	
Federated Prime Obligations	**0.4%**
Total	**100.0%**