

MILLE LACS BAND OF OJIBWE

Request for Proposals:

Release Date: September 6, 2019

Deadline for Receipt of Statement of Interest:

October 21, 2019

MILLE LACS BAND OF OJIBWE
43408 OODENA DRIVE
ONAMIA, MN 56359

SECTION I: INFORMATION FOR RESPONDENTS

1.1 INTRODUCTION; TWO-STEP PROCESS

The Mille Lacs Band of Ojibwe (“Band”) is a federally-recognized Indian tribe with important sovereign responsibilities and major financial assets, including substantial investments under management, a bank and a charitable entity. The Band is seeking proposals for a professional review and evaluation of the management and performance of the Band’s investments and financial entities, and recommendations for improvements going forward.

The Band contemplates a two-step process in selecting a proponent. First, a proponent should submit a statement of interest, setting forth key features of the proponent’s capabilities and experience. From such submitted statements of interest, the Band intends to identify at least three well-qualified potential service providers for further discussions and negotiations. The contract would be awarded to a responsible service provider whose proposal is deemed most advantageous to the Band, considering price, capabilities, responsiveness and other relevant factors.

1.2 BAND’S FINANCIAL ASSETS

The Band’s investment portfolio has been managed by two firms within the past 20 years. The most important function of the potential contractor will be to evaluate the current firms’ performances since the inception of the relationships, but especially during the last 5 years, and how investment functions might be better managed going forward.

The selected proponent will be asked to evaluate the current fund managers’ compliance with applicable industry standards, the competitiveness of its fees in light of the size of the Band’s portfolio, and its effectiveness in reporting to and communicating with the Band. As part of this process, the successful respondent would provide a detailed portfolio review of the Band’s major accounts to help the Band determine whether its investment goals and objectives are being met, whether those goals should be adjusted, and how management and reporting might be improved.

In addition, the Band seeks an in-depth review of its internal investment processes and procedures, including its most recent Investment Policy Statements, to ensure that the Band’s internal investment functions are up-to-date and efficient. One outcome the Band is considering is the creation of an internal investment board comprised of individuals with appropriate backgrounds and experience to address ongoing investment issues. The selected respondent will be asked to share with the Band appropriate investment ideas, recommendations, concepts and views regarding best practices to upgrade the Band’s ability to timely and responsibly manage its investments.

The Band’s portfolio includes four major accounts with a very large combined net value. The accounts serve different purposes:

- Fund #1 – supports the Band’s general operations
- Fund #2 – supports periodic payments for the benefit of minors
- Fund #3 – funds a retirement plan
- Fund #4 – supports community and charitable purposes

While the total net value of the funds is large, the structure of the portfolio is not particularly complex, as the Band's sovereign responsibilities require it to be relatively risk-averse. The Band also seeks advice regarding whether and the extent to which it might be appropriate to adjust its risk tolerance in its investment decisions.

The Band also participates in the ownership and operation of a bank and a charitable foundation. The selected proponent would be asked to review and evaluate the Band's role in these entities as well.

1.3 STATEMENTS OF INTEREST

A. Statements of Interest shall be submitted to the addressee indicated below no later than October 21, 2019.

Name: Christine Jordan
Title: Chief Legislative Counsel
Mille Lacs Band of Ojibwe
43408 Oodena Drive
Onamia, MN 56359
Telephone: (320) 532-7421
Email: Christine.Jordan@millelacsband.com

You should submit three (3) hard copies of your Statement, together with an electronic copy (in pdf format) sent via email.

B. All submissions become the property of the Band upon receipt. The Band reserves the right to reject all proponents and award or not award a contract based upon the Band's own assessment.

C. The Band may use any ideas or information brought to its attention in the course of its assessment of proposals regardless of whether a particular proponent is selected. The respondent shall bear all costs incurred in preparing and submitting its statement of interest or any follow-up submissions.

D. The Band may waive minor defects or variations of any submission from the specifications herein. If insufficient information is submitted by a respondent to properly evaluate a submission, the Band may request additional information it deems necessary.

E. An evaluation committee will review all submitted Statements. It is anticipated that the Band will interview a short list of finalists who should be prepared to make a one-hour in-person presentation at the Band's offices. Finalists should be prepared to answer detailed questions regarding their proposals. A respondent's participation in such presentation shall be at its own expense.

F. The primary factor for the Band's evaluation of the Statements of Interest shall be the Band's determination of the likelihood that it will have a successful and productive professional relationship with the potential contractor. Key factors in making that determination will be the Band's determination of the potential contractor's capabilities, reputation and experience in the relevant subject areas; experience, if any, in working with sovereign entities, including Indian tribes; and the proponent's responsiveness to the Band's concerns and its ability to effectively communicate and work closely and productively with relevant Band personnel. Anticipated costs and fees are also a key consideration.

1.4 SUBSEQUENT PROCEDURES

A. Following an assessment of the initial Statements of Interest, the Band will contact all submitters and notify them whether the Band is interested in further discussions and potential negotiations, including a determination of fair and reasonable compensation. Following this process, a single proponent would be offered a contract which includes standard Band contractual provisions. The contract will be reviewed by Band counsel as to legality of form and compliance with Band laws. Once a final contract is agreed upon in form, the contract would be subject to approval by the Band before final implementation.

B. It is anticipated that the duration of any contract resulting from this process shall be for a period of up to six months. All services provided shall be coordinated closely with the Band.

C. All work undertaken with regard to submission of the proposal, activity under any contract with Band, and the results of the assessment must be treated as confidential to the fullest extent permitted by law. All finalists will be asked to execute a non-disclosure agreement. No entity is authorized to issue news releases relating to this document, award of any contract, or the contracting firm's performance thereunder.

D. Applicable provisions of all federal and Band laws shall govern development, submittal, and evaluation of all submissions received in response to this request and shall govern any claims or disputes which may arise between persons submitting a response and the Band.

E. All materials and data produced for the Band under a contract resulting from this process shall be owned by the Band unless otherwise agreed in writing.

SECTION II: DETAILED SCOPE OF SERVICES

The services to be provided shall include the following:

1. Analyze the performance of the incumbent investment managers regarding the Band's managed investments, including portfolio structure and asset allocations, philosophy or style of decision-making, adherence to the Band's and other applicable investment standards, risk management, and performance relative to competitors and applicable benchmarks.

2. Review investment-related fees and expenses charged to the Band and compare with fees borne by others with similar-sized portfolios.

3. Review reporting and communication performance of current managers.
4. Advise on the development, implementation and/or revision of internal investment policies and guidelines, including the Band's Investment Policy Statement.
5. Advise on how to upgrade the Band's internal abilities to effectively manage its investments, including improvements both to internal Band approval processes and interactions with outside investment managers.
6. Conduct a compliance review of plan documents relating to portfolios involving special fiduciary duties and provide recommendations to ensure such duties are fulfilled.
7. Evaluate the creation of an internal investment board and provide recommendations regarding its potential implementation.
8. Evaluate the management, performance, and the Band's involvement in its bank and foundation.
9. Provide a written report to the Band addressing the above topics, as well as an in-person presentation summarizing the report and addressing relevant questions and concerns which may arise.

SECTION III: DETAILED FORM OF RESPONSE

Your response should be organized as follows:

- A. Information about your firm and relevant individuals:
 1. Provide a general description of your organization, including its full name, address, telephone and facsimile numbers, firm website address, and mailing address of your main office and the office submitting a response to this request. Include a brief organizational overview including a description of the legal structure of the firm, firm history, parent and affiliated companies, and licenses your firm has to provide investment advice.
 2. Describe your client base, including types of clients served, especially institutional and sovereign clients, and include an approximate range of asset values. Identify at least two institutional or sovereign clients which the Tribe could contact as references.
 3. Describe the types of services your firm provides that you think are relevant to the services described in this request.
 4. Indicate whether your firm has any experience advising Indian tribes or other Native American organizations. If so, provide a general description of the nature and magnitude of this experience.

5. Identify the individuals who you anticipate will provide the actual services to the Band on behalf of your firm, including their names, licensure, telephone and email contact information, years of service in your firm and in investment management and assessment, specialties, and any other relevant experience. If any of the individuals are members of a federally-recognized tribe, or have any experience advising Indian tribes or Native American organizations, so indicate.

6. Indicate how you believe your firm may be specially situated to assist the Band compared with other firms providing similar services. Similarly, indicate how you believe the individuals tasked to provide the services to the Band on behalf of your firm may be specially situated in the industry with regard to this work.

7. Provide a statement regarding your firm's investment approach or philosophy, and any similar relevant internal standards or tools your firm may have for analyzing a client's portfolio structure, competitiveness of management fees, and client reporting and information-sharing issues.

8. Describe your firm's experience in evaluating investment management services provided by others, and how you propose to approach this task on behalf of the Band.

9. Describe your firm's experience in advising or evaluating the management and performance of banks and charitable foundations.

B. Fee proposal:

Indicate how your firm intends to determine how much to charge the Band for its services.

C. Initial reactions to proposed scope of work:

1. For each item in section II above, indicate your initial thoughts about how you might approach the task, to the extent you haven't already addressed this in your responses to previous questions. Indicate any special questions or concerns you might have.

2. Indicate whether you believe additional items should appropriately be added to the described scope of work in section II, with your rationale and any thoughts about how such additional items or tasks should be addressed.

3. Provide any other information or insights that you think would be helpful to the Band in going forward with this process.