



### ***CCCE Investment Management RFP Q&A***

- Is CCCE seeking ERISA treatment?
  - Only reserves and cash balances are being considered for professional management. Employee retirement funds will continue to be managed separately.
- Is the Investment Management Agreement (IMA) / Standard Services Agreement agreed upfront or is it negotiable?
  - Respondents may propose their own Investment Management Agreements. CCCE reserves the right to accept or reject these in whole or in part in its sole discretion. CCCE may elect to negotiate proposed agreements to its satisfaction in its sole discretion.
- Is an allocation to corporate credit investments in the portfolio permissible?
  - Please see the CCCE Investment Policy included in the RFP for approved instruments. CCCE reserves the right to revise the policy in the future. If this occurs, the investment manager will be expected to update allocations accordingly.
- Do all interview participants need to attend in person? Or can some attend in person and others participate remotely?
  - All interviews will be conducted via Microsoft Teams, CCCE's preferred technological platform
- Are managers required to be a designated municipal adviser?
  - No.
- Can CCCE provide a cash flow forecast for investable balances? (Balances and anticipated redemptions)
  - Please see Sections 2.2-2.5 of the RFP. While CCCE may allocate up to \$130 million of its reserves to investment managers, it will retain the balance of its approximately \$175 million cash balance to manage its daily liquidity needs. Final allocations and time horizons will be determined at a later date. For modeling purposes, respondents are welcome to submit model portfolios with a variety of time horizons and instruments.
- Can you please provide more details on the maturity limit of the investments? Does the limit of two years apply to each individual instrument within the portfolio, or does it apply to the weighted average maturity of the entire portfolio?
  - At this time, the maturity limit is 2 years for any instrument. CCCE reserves the right to revise its Investment Policy in the future.

- Does the portfolio have a restriction on total portfolio maturity or portfolio duration?
  - The maturity will effectively be restricted by the maturity limit of 2 years for any instrument. The duration may vary but will also effectively be restricted by the maturity limit of 2 years for any instrument.
- Can you please provide the current portfolio holdings or the current portfolio duration?
  - Balances are currently held in bank and sweep accounts
- Licensing and qualifications: The RFP indicates that Contractors must meet a set of minimum requirements to respond to the RFP. Please confirm if CCCE will also consider alternative solutions as well from traditional banks, such as high yielding bank money market accounts and CD's, in accordance with permissible instruments as defined by the investment policy and CA Government Code.
  - Please see the Investment Policy in the RFP for approved instruments. Balancing the need for liquidity - ready conversion of invested funds to cash – with the potential for yield in a changing interest rate environment, strategically using all the instruments available in the Investment Policy, is an important goal for CCCE. Robust risk management, research, and analytical capabilities are integral to this goal. Please see Section 7 of the RFP for qualification requirements.
- Exceptions: Does the exception to solicitation section refer to any part of a Contractors proposal that does not expressly meet the qualifications or requests by CCCE's RFP? If not, please clarify what exceptions refer to.
  - Respondents are welcome to propose any exceptions to the solicitation they wish. CCCE reserves the right to accept or reject these in whole or in part in its sole discretion.
- Sample agreement: The link in the RFP does not work and redirects to a Microsoft login page. Can you please provide a pdf copy of the sample agreement?
  - A copy of the sample agreement is available at [01.-DRAFT-STANDARD-SERVICES-AGREEMENT.pdf \(3cenergy.org\)](#)
  - Please note that the final agreement will reflect the nature of investment management and liquidity solutions contracts. For example, they may contain a fiduciary duty clause.

- What is CCCE's preference for its investment portfolio duration? For example, are there any dollar amount limits considered for longer durations up to the investment policy maximum of 2 years and/or any portion of the funds that need to remain fairly liquid?
  - Please see Sections 2.2-2.5 of the RFP. While CCCE may allocate up to \$130 million of its reserves to investment managers, it will retain the balance of its approximately \$175 million cash balance to manage its daily liquidity needs. Final allocations and time horizons will be determined at a later date. For modeling purposes, respondents are welcome to submit model portfolios with a variety of time horizons and instruments.