

**RESPONSES TO QUESTIONS FROM INTERESTED INVESTMENT MANAGEMENT
AND/OR CUSTODIAL SERVICES RFP**

1. In reviewing the subject RFP, I noticed that a Bidder could elect to respond with a proposal for Custodial Services, but in the scoring metric, many of the points are skewed to favor Investment Management Services. Would the WV Parkways Authority accept a limited proposal for Municipal Custodial Services only and how would that be scored?

ANSWER: The Parkways Authority reserves the right to accept or reject any or all proposals, in whole or in part, without prejudice, if to do so is felt to be in the best interests of the Authority. You can submit your qualifications and experience along with your fee schedule for custodial services.

2. Why is the search being conducted?

ANSWER: The term of the current Investment Advisor Agreement has expired.

3. Is there a current Investment Manager for the portfolio? If so, what firm and are they invited to rebid?

ANSWER: There is a current Investment Manager for the portfolio and the name of the manager is BB&T Scott & Stringellow. The term of their agreement has expired and they have been invited to rebid.

4. Can a firm submit a bid just for the investment management portion, and vice versa?

ANSWER: Yes.

5. Could the Parkways provide the following:

- Current Investment Holdings
- Investment Policy: To verify, the policy of West Virginia Parkways follows directly (i) Article 16-A Chapter 17 of the Code of West Virginia, 1931 as amended, (the “Act), (ii) the Master Trust Indenture dated August 1, 2018, including Supplemental Indetures as may be permitted therein or (iii) any municipal bond insurance policy that guarantees all or any portion of principal and interest on bonds of the Parkways Authority, as applicable.
- Current fee structure

ANSWER: Current Investment Holdings as of January 31, 2019 were \$57.8 million.

The Investment Policy requires funds to be invested only in securities identified as Permitted Investments in the Code of WV referred to in your question as well as being in compliance with the Master Trust Indenture dated August 1, 2018. There is no municipal bond insurance policy in effect at this time. The current fee structure is a flat fee of 0.085%.

Click on the following links to view the [Investment Policy](#), [Permitted Investments](#) and the [Master Trust Indenture](#).

6. Could you provide a copy of the Investment Policy Statement governing the portfolio.

ANSWER: See response to Question #5.

7. We are looking at the RFP for the WV Parkways and see that a lot of the point value consideration is “experience of firm and individuals assigned with emphasis on public portfolio investment experience.” I assume this means you would like groups who have worked with public plans, and not firms who invest in public securities. Could you please confirm? We have

worked with several private institutions but no public ones, so I'm not sure if we would be seriously considered.

ANSWER: The investment management you offer must comply with our Investment Policy, Permitted Investments and the Master Trust Indenture (See response to Question #5). The relevant experience sought is in providing (1) investment advisory services to Public entities concerning the investment of their funds that are not needed immediately, or in a relatively short time frame, to pay current bills and debt service, including by way of example funds in debt service and operating reserve funds, longer term capital funds, self-insurance reserve funds, operating funds, and other funds not needed for immediate or near-term liquidity, (2) custody services concerning investment securities acquired in connection with the investment of such funds, or (3) both types of services. Accordingly, no pension funds or retirement benefit funds are involved in the scope of investment and/or custody services covered by this RFP.

8. I have gone to the WV Code, Chapter 17, Article 16-A and unable to locate the list of "Permitted Investments". Can you send a link to the site, or a copy of the section that describes "Permitted Investments"?

ANSWER: See response to Question #5.

9. When managing the investments last, the investments were divided into three (3) pools of funds:

a. Short Term Investment Pool – Average investment life of 270 days.

b. Intermediate Term Investments Pool – Average investment life of 3 years.

c. Escrow Investment Pool – Average investment life of 7 years.

Can you please tell me if the funds will continue to be invested as described above, and if so, what is the average value or range of each pool of money.

ANSWER: At this time, it is anticipated that the funds will continue to be invested within these three pools (see Investment Policy in response to Question #5). As of January 31, 2019 the average value of each pool was as follows: Short Term Pool \$32.2 million; Intermediate Pool \$15.2 million and the Escrow Pool \$10.4 million.

10. Lastly, does the RFP include funds for the Escrow Account and if so, are the investments required to be held at the custodian for the bonds? If so, what is the approximate value?

ANSWER: Yes the RFP includes funds in the Escrow Account and they must be held in a custodial account by the Trustee for the bonds. The approximate value is \$10.4 million.

11. Can you please provide your Investment Policy and all relevant bond indentures?

ANSWER: See response to Question #5.