

BID SOLICITATION

Grand Challenges Canada / Grands Défis Canada

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Grand Challenges Canada®
Grands Défis Canada

BOLD IDEAS WITH BIG IMPACT®

Bid Solicitation Investment Advisor

**Submission Deadline:
April 28 – 12:00pm EST**

RFP Reference Number: RFP-IA-2021-04-06

Introduction

GRAND CHALLENGES CANADA'S OBJECTIVE

GRAND CHALLENGES CANADA/ GRANDS DÉFIS CANADA (“**Grand Challenges Canada**”) is seeking an Investment Advisor to manage the investment of our Grand Challenges Canada Reserve Funds (“**Reserve Funds**”) for a five-year period starting in fiscal year 2021-22.

The Investment Advisor will be responsible for developing and implementing an investment strategy for the Reserve Funds, currently totalling \$13M CAD. The investment strategy should, at a minimum, focus on the following two Investment Objectives:

1. Take on the **minimum risk** necessary to protect the principal of the Reserve Funds against:
 - a. Inflation
 - b. Extraordinary/one-time expenses that might, over time, undermine the quantum of the reserves (estimated at 1.25% per annum).
2. To the maximum extent possible, **minimize the impacts of market volatility**, in order to ensure the appropriate level of liquidity, when needed, and to match risk tolerance and expected cash flow requirements.

Proposed principles to guide the achievement of these objectives are as follows:

- **Management Fee:** Maximum of 0.75% per annum, with lower fees preferred.
- **Management Expense Ratio(s):** Maximum of 0.75% per annum, with lower MERs preferred.
- **Cash or Cash Equivalent:** The fund will seek as high a current income from cash and cash equivalent holdings as is consistent with desired levels of liquidity and with supporting the stability of the principal.
- **Equities:** The fund will only hold broad-based/indexed equity funds. The fund will hold no individual equities.
- **Fixed Income:** The fund will hold only broadly diversified bond funds. Prohibited securities include but are not limited to private equity, private placements, other individual fixed income securities and derivatives.

All Interested applicants or bidders (“**Bidders**”) can suggest additional objectives or edits/changes to the principles and approach if they feel that this would provide additional value for Grand Challenges Canada. Grand Challenges Canada will only consider bidders who are Canadian financial professionals and who commit to a fiduciary standard to act in the best interests of their clients.

The objective of this “**Bid Solicitation**” is to select a candidate to enter into a contract with Grand Challenges Canada to provide the services described in the “Statement of Work”, attached hereto as Appendix A. All Bidders are invited to submit a proposal or bid (“**Bid**”) for consideration by Grand Challenges Canada in accordance with the terms of this Bid Solicitation

Part 1: General Information

1.1 Objective

- a. The objective of this Bid Solicitation is to select a vendor to enter into a contract with Grand Challenges Canada to provide the services described in the Statement of Work in a manner that will provide the best value for Grand Challenges Canada's funds, attached herein as Appendix A.

1.2 Period of Contract

- a. The resulting contract will be in effect from approximately May 2021 to May 2026 with the possibility of renewal or extension for successive five (5)-year term(s) up to a maximum of fifteen (15) years, depending on the needs of the organization.

1.3 About Grand Challenges Canada

Grand Challenges Canada is dedicated to supporting Bold Ideas with Big Impact® in global health. Funded by the Government of Canada and other partners, Grand Challenges Canada is driven by the mission to catalyze innovation that saves and improves the lives of the most vulnerable in Canada and low- and middle-income countries. One of the largest impact-first investors in Canada, Grand Challenges Canada has supported a pipeline of over 1,300 innovations in 106 countries since its creation. Grand Challenges Canada estimates that these innovations have the potential to save up to 1.78 million lives and improve up to 64 million lives by 2030.

For more information, please see: www.grandchallenges.ca, including our latest Annual Report under "Who We Are".

Part 2: Standard Instructions, Clauses and Conditions

2.1 Submission of Proposal

- a. Grand Challenges Canada requests that each Bidder submit a Bid to the email address outlined in Paragraph 2.2, as early as possible, but **no later than April 28, 2021, at 12:00pm EST** (the “**Closing Date**”). For greater certainty, Bids will only be accepted from April 06 at 12:00 am, until April 28 at 12:00 pm (bid solicitation period).
- b. The Bid must include the Bidder’s firm or vendor’s name, a contact name, address, telephone and fax numbers, and email address.
- c. Grand Challenges Canada requests that each Bid contain a covering letter signed by the Bidder or by an authorized representative of the Bidder. The covering letter should reference the RFP Reference Number. The Bidder’s signature indicates acceptance of the terms and conditions set out and/or referenced herein. The signatory must have authority to commit the organization by making such a proposal. A contract will not be awarded until a signed covering letter from the Bidder is received by Grand Challenges Canada. If the Bidder fails to provide a signed covering letter when requested to do so by Grand Challenges Canada, then the Bidder shall be disqualified from the bidding process and be declared non-compliant.
- d. It is the Bidder's responsibility to:
 - i. Obtain clarification of the requirements contained in the Bid Solicitation, if necessary, prior to submitting a Bid
 - ii. Prepare its Bid in accordance with the instructions contained in the Bid Solicitation
 - iii. Submit its Bid by closing time
 - iv. Send its Bid only to the “Contracting Authority” named in Paragraph 2.2 below
 - v. Provide a contact name, address, telephone number and email address in its Bid, as indicated in 2.1b above
 - vi. Provide a comprehensible and sufficiently detailed Bid, including all requested pricing details that will permit a complete evaluation, in accordance with the criteria set out in this Bid Solicitation.
- e. Bids will remain **open for acceptance** for a period of not less than twenty-one (21) calendar days from the Closing Date of the Bid Solicitation. Upon notification to the responsive Bidders, Grand Challenges Canada reserves the right in its sole discretion to extend the bid solicitation period at any time for up to twenty-one (21) calendar days.
- f. Bids and/or amendments thereto will only be accepted by Grand Challenges Canada if they are received at the email address indicated below in Paragraph 2.2, on or before the Closing Date specified herein.

- g. Bids received will become the property of Grand Challenges Canada and will not be returned.
- h. All information within this Bid Solicitation is to be held in confidence.
- i. Except as specifically provided otherwise in the Bid Solicitation, Grand Challenges Canada will evaluate a Bidder's Bid only on the documentation provided as part of its Bid. Grand Challenges Canada will not evaluate information not submitted with the Bid, such as references to website addresses where additional information can be found, or technical manuals or brochures not submitted with the Bid.

2.2 Contracting Authority

Grand Challenges Canada
661 University Avenue, Suite 1720
MaRS Centre, West Tower
Toronto, Ontario, M5G 1M1

Attention: David Brook, Chief Strategy Officer
Email: david.brook@grandchallenges.ca

3.1 Late Bids

- a. The Bidder has sole responsibility for the timely receipt of a Bid by Grand Challenges Canada and cannot transfer this responsibility to Grand Challenges Canada.
- b. Grand Challenges Canada will return Bids delivered after the stipulated bid solicitation Closing Date and time referred to in Paragraph 2, Sub-paragraph 1a, unless they qualify as a "delayed bid" (see below).
- c. A Bid received after the Closing Date but before the contract award date may be considered, provided the delay can be proven by the Bidder to have been due solely to a delay in delivery that can be attributed to incorrect handling by Grand Challenges Canada (a "delayed bid").
- d. Misrouting, traffic volume, weather disturbances, labour disputes or any other causes for the late delivery of Bids are not acceptable reasons for the Bid to be accepted by Grand Challenges Canada.

4.1 Legal Capacity

- a. The Bidder must have the legal capacity to contract. If the Bidder is a sole proprietorship, a partnership or a corporate body, the Bidder must provide, if requested by the Contracting Authority, a statement and any requested supporting documentation indicating the laws under which it is registered or

incorporated, together with the registered or corporate name and place of business. This also applies to Bidders submitting a Bid as a joint venture.

5.1 Rights of Grand Challenges Canada

- a. Grand Challenges Canada reserves the right, in its sole discretion, to:
 - i. Reject any or all Bids received in response to the Bid Solicitation
 - ii. Enter into negotiations with bidders on any or all aspects of their bids
 - iii. Accept any Bid in whole or in part without negotiations
 - iv. During the evaluation, members of the evaluation team may, at their discretion, submit questions to or conduct interviews with Bidders, at Bidders' cost, upon forty-eight (48) hours' notice, to seek clarification and/or verify any or all information provided by the Bidder with respect to this Bid Solicitation
 - v. To award one or more contracts, if applicable
 - vi. Not to accept any deviations from the stated terms and conditions
 - vii. Conduct a survey of Bidders' facilities and/or examine their technical, managerial and financial capabilities to determine if they are adequate to meet the requirements of the Bid Solicitation
 - viii. Contact any or all references supplied by Bidders to verify and validate any information submitted in their Bid, if applicable
 - ix. Correct any mathematical errors in the extended pricing of financial bids by using unit pricing and the quantities stated in the Bid Solicitation
 - x. Verify any information provided by Bidders through independent research, use of any government resources or by contacting third parties deemed reliable by Grand Challenges Canada
 - xi. Incorporate all or any portion of the Statement of Work, Bid Solicitation and the successful Bid in any resulting contract
 - xii. Cancel the Bid Solicitation at any time without liability
 - xiii. Reissue the Bid Solicitation without liability
 - xiv. Extend the Bid Solicitation deadline without liability
 - xv. If no compliant Bids are received and the requirement is not substantially modified, re-tender the requirement by inviting only the Bidders who bid to re-submit Bids within a period designated by Grand Challenges Canada
 - xvi. Not to award a contract in part or at all.

- b. Bidders will have the number of days specified in the request by the Contracting Authority to comply with any request related to any of the above items. Failure to comply with the request may result in the bid being declared non-responsive.

6.1 Communications – Solicitation Period

- a. To ensure the integrity of the competitive bid process, all enquiries and other communications regarding the Bid Solicitation must be directed, by email, only to the Contracting Authority identified in this Bid Solicitation. Failure to comply can, for that reason alone, result in the disqualification of the Bid.

- b. To ensure consistency and quality of information provided to Bidders, significant enquiries received and the replies to such enquiries will be provided to all Bidders, without revealing the sources of the enquiries.

7.1 Costs

- a. No payment will be made for costs incurred in the preparation and submission of a Bid in response to the Bid Solicitation. Costs associated with preparing and submitting a Bid, as well as any other costs incurred by the Bidder associated with the evaluation of the Bid, are the sole responsibility of the Bidder.
- b. No costs incurred relating to the work before the receipt of a signed contract or specified written authorization from the Contracting Authority can be charged to any resulting contract. In addition, the Contractor is not to perform work in excess of or outside the scope of any resulting contract based on verbal or written requests or instructions from any Grand Challenges Canada personnel other than the Contracting Authority. The Contracting Authority is the only authority that can commit Grand Challenges Canada to the expenditure of the funds for this requirement.

7.2 Governing Law

This Bid Solicitation is governed by the laws of the Province of Ontario and Canada as applicable therein. A Bidder and Grand Challenges Canada shall attempt to resolve any disputes, differences or claims arising under the Bid Solicitation in good faith. Any action or proceeding relating to this Bid Solicitation may (but need not) be brought in a court of competent jurisdiction in the Province of Ontario, and for that purpose now irrevocably and unconditionally attorns and submits to the jurisdiction of such Ontario court.

Part 3: Bid Preparation Instructions and Evaluation Procedures

1.0 Format of Bid

Section 1: Technical Bid

In its technical bid, the Bidder must demonstrate its understanding of the requirements described in the bid solicitation, as well as demonstrate how the Bidder will meet the requirements of Evaluation Criteria and Basis of Selection, as described in Appendix B. The technical bid must not exceed 10 pages including the cover sheet and any appendices.

Section 2: Financial Bid

The Bidder must submit its financial bid in accordance with the Basis of Fees, attached herein as Appendix C. The total amount of any taxes (e.g., the Harmonized Sales Tax (HST), Goods and Services Tax (GST), etc.) is to be shown separately, if applicable.

2.0 Evaluation Procedures

- a. Bids will be assessed against all mandatory and rated requirements identified herein and evaluated in accordance with the evaluation criteria specified in Appendix B.
- b. Any firm currently providing audit services to Grand Challenges Canada cannot be considered for this Bid Solicitation, due to the need for independence and perception of independence.

Appendix A: Statement of Work

A. Title

This Bid Solicitation seeks to engage an individual(s) to provide the following service:

- Investment Advisor

B. Scope of Work

The Investment Advisor will be responsible for developing and implementing a strategy for the investment of the Reserve Funds, currently totalling \$13M CAD. The investment strategy should, at a minimum, focus on the following two Investment Objectives:

1. Take on the **minimum risk** necessary to protect the principal of the Reserve Funds against:
 - a. Inflation
 - b. Extraordinary/one-time expenses that might, over time, undermine the quantum of the reserves (estimated at 1.25% per annum).
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Proposed principles to guide the achievement of these objectives are as follows:

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Candidates can suggest additional objectives or edits/changes to the principles and approach if they feel that this would provide additional value for Grand Challenges Canada.

Grand Challenges Canada will only consider candidates who are Canadian financial professionals and who commit to a fiduciary standard to act in the best interests of their clients.

C. Deliverables

At the outset of the contract, the Investment Advisor/ Investment Manager will be expected to:

1. Develop an investment strategy that is appropriate to Grand Challenges Canada's investment needs as outlined in Section B. above.
2. Present the investment strategy to Grand Challenges Canada's senior management and financial teams for feedback and advice.
3. Once a strategy is agreed upon, implement that strategy by investing the Reserve Funds.

On a quarterly basis, the Investment Advisor will:

1. Provide a summary of performance against appropriate benchmarks.

On an annual basis, the Investment Advisor will:

2. Prepare a brief presentation on key elements of the investment strategy and any recommended changes.
3. Present to senior management and the Audit, Finance & Risk Committee of the Board of Directors.

Overview of Support

The selected Investment Advisor will report to the Contracting Authority and will define the process and implement the infrastructure needed to provide the contracted services.

Appendix B: Evaluation Criteria and Basis of Selection

Evaluation Criteria and Process

Only those Bids that meet all mandatory requirements identified in this Bid Solicitation will be further evaluated, based on the criteria listed below.

The Bid should be concise and should address, at a minimum, all mandatory criteria identified below. It is suggested that the Bidder address these criteria in sufficient depth in the Bid.

The Bid must identify the qualifications and experience of the personnel who will carry out the tasks, by systematically addressing each of the experience criteria as detailed below.

The firm's profile and resume for each proposed resource must be included in the Bid.

For each resume submitted, the Bidder should ensure that:

- i. The name of the individual is clearly indicated
- ii. The resume clearly demonstrates where, when and how the stated qualifications/experience of the individual were acquired.

For evaluation purposes:

- **Where** means the name of the institution, as well as the position/title held
- **When** means the start date and end date (e.g., from January 2000 to March 2002) of the period during which the individual acquired the qualifications/experience
- **How** means a clear description of activities performed and the responsibilities assigned to the individual in this position and during this period.

Listing experience without providing supporting data will not be considered to be "demonstrated" for the purpose of this evaluation. Full details should be included that describe the number of projects completed and in progress, the period of the work performed in number of months and years in past and present employment, etc.

Mandatory Criteria for Technical and Financial Bid

In addition to those elements described above, the Bidder shall also provide:

1. **Basis of fees**, which will be evaluated separately, as described in Appendix C
2. **History of the firm and location**, affiliation with any relevant partners or networks, size, etc.
3. **Description of support team**, including bios, relevant experience and specific expertise that they will bring to this role – this section should demonstrate the ability of the firm to deliver on the specific items outlined in **Deliverables** in Appendix A

4. **Description of support process**, including specifics regarding the level of responsiveness that Grand Challenges Canada can expect on a regular basis – this section should include details about measures in place for when the primary contact/support staff are not available.
5. **Two (2) client references ONLY**, for whom you have provided the services described in the statement of work – any Bidder who provides less or more than (2) references will be automatically disqualified from the bidding process and be given no further consideration.
6. **Value-added services**, including whatever the Bidder may want to add to its proposal.

Scoring Rubric for Evaluation

1. Experience (75%)

- a. Please answer the following questions:

Team

- Describe your investment philosophy.
- Describe the compensation structure for the investment team.

Firm

- Are you a fiduciary (noting that only fiduciaries will be considered as responsive to this RFP)?
- Describe any differentiators that are unique to your firm.
- Describe your portfolio construction process.
- Have there been any changes to your firm's investment process and/or philosophy since inception? If yes, please elaborate.
- Does your firm have experience working with not-for-profit organizations or charities?
- Who is your custodian/trustee?

Investment Process

- Describe how your firm controls and manages portfolio risk.
 - How will you design the investment strategy to protect our organization from external risk events?
- How do you currently measure/track risk for this strategy (e.g., standard deviation, beta, etc.)?
- Describe the strategy you would propose to structure this portfolio, given the description of the objectives provided.
- How are you paid? Is it a percentage of the assets you manage (e.g., % of assets managed), a flat fee for services or an hourly fee?
- What investment benchmarks do you use?

- b. Is the Bidder an effective, results-driven leader/team with the proven capacity to deliver on their objectives?

2. Fees (25%)

- a. Are the scope of the proposed work and the funds requested reasonable and commensurate with the proposed goals?
- b. Does the proposal represent a particularly thoughtful and efficient use of resources?

Evaluation of Bids will also be guided by the Objective and Principles of Grand Challenges Canada's Contracting & Procurement Policy, found at www.grandchallenges.ca/funding-opportunities/resources/.

Based on the evaluation of the criteria described above, competitive Bids could be invited for an interview. The purpose of the interview would be to assess the capacity of the Bidders to deliver the scope of work.

Appendix C: Fees

Bidders are required to provide their estimated fees in Canadian dollars, excluding applicable taxes, both in terms of any annual management fees, expected Management Expense Ratios (MER), and any and all other anticipated fees or commissions.