



**STATE OF RHODE ISLAND
OFFICE OF THE GENERAL
TREASURER**

**REQUEST FOR PROPOSALS &
QUALIFICATIONS TO PROVIDE
Foreign Investment Compliance Analysis**

**Rhode Island State Investment Commission
50 Service Avenue
Warwick, RI 02886**

RFP Issued: August 5, 2015

Proposals Due: September 11, 2015

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SECTION I: GENERAL INFORMATION

INTRODUCTION AND BACKGROUND

State Investment Commission and Treasury Investment Division

The ten-member State Investment Commission (SIC), chaired by the General Treasurer, determines the State's investment policies. The SIC oversees approximately \$8 billion in assets for the Employees' Retirement System of Rhode Island ("ERSRI") and investments in a TIAA-CREF defined contribution 401(a) plan. It also sets policies for investments of the Other Post-Employment Benefits trust and the State's 457 plans, as well as the CollegeBoundfund (CBF), a 529 program. The SIC meets monthly and receives investment performance reports from Treasury staff and consultants.

Under the directives set by the SIC, Treasury's Investment and Finance Division ("Division") provides investment, cash and debt management services for the State of Rhode Island. The Division's staff interfaces daily with custodians, consultants, and fund managers on asset allocation, investment and administrative matters, as well as managing and transferring State funds.

Long-term investments are outsourced to professional asset management firms, based on recommendations by staff and consultants, and approval by the SIC. Staff and consultants also monitor these managers closely, holding them accountable for performance and making changes as necessary.

Short-term operating cash is managed by the Division's cash management unit. The Division also oversees the externally managed Ocean State Investment Pool, a voluntary program available to the State, quasi-public agencies and municipalities for the management of their short-term assets, with a goal to improve investment performance of liquid assets.

Foreign Investment Laws

When investing State funds, including the pension portfolio, the SIC is subject to the following statutes that provide direction regarding investments in certain foreign countries.

Rhode Island General Law: Section 35-10-14

Restrictions on Investments in Northern Ireland; MacBride Act.

<http://webserver.rilin.state.ri.us/statutes/title35/35-10/35-10-14.htm>

Rhode Island Public Law: 2007 Chapter 93 Sudan Investments

Divestment of Investments in Sudan

<http://webserver.rilin.state.ri.us/billtext07/housetext07/h5142.htm>

Rhode Island General Law: Sections 35-10.3-1, *et seq*; 37-2.5-1 *et seq*.

Divestiture of Investments in Iran

<http://webserver.rilin.state.ri.us/statutes/title35/35-10.3/35-10.3-1.htm>

Prohibition on Contracting with Iran

<http://webserver.rilin.state.ri.us/Statutes/TITLE37/37-2.5/INDEX.HTM>

SECTION II: PURPOSE OF RFP

PURPOSE OF REQUEST FOR PROPOSAL

To meet the aforementioned statutes, the SIC is seeking a firm to provide foreign investment compliance analysis. For a provided list of 2,500-3,000 investments (generally common index names), the compliance analysis firm will supply each investment's status relative to Rhode Island General Laws § 35-10-14, 35-10.3- 1 *et seq.*; 37-2.5-1 *et seq.* and Rhode Island Public Law 2007 Chapter 93 Sudan Investments.

Issuing Officer, Contacts and Lobbying

Treasury's Investment and Finance Division, acting on behalf of the SIC, is issuing the RFP. The Issuing Officer identified below is the sole point of contact regarding this RFP. No contact with any SIC board members, Investment and Finance Division staff beyond the listed Issuing Officer, or state official is permitted with respect to this RFP, any proposal submitted in response to the RFP, or the contract to be awarded under this RFP. This prohibition applies from the date of release of this RFP until a contract is executed, unless otherwise requested by the Issuing Officer. It includes, but is not limited to, any lobbying efforts directed at the State's legislators or any State officer or employee who might reasonably be considered to have influence over the process and final outcome.

The Issuing Officer for this RFP is:

Kyle Lynch
Fiscal Analyst
Rhode Island Treasurer's Office
50 Service Avenue
Warwick, RI 02886

Transmittal letters for any proposal submitted in response to this RFP should designate one person employed by the party responding to this RFP ("Respondent"), who is authorized to contact the Issuing Officer on behalf of the Respondent. Unless otherwise requested by the Issuing Officer, from the date of release of this RFP until a contract is executed, only such authorized contact person should contact the Issuing Officer with respect to this RFP, any proposal submitted in response to the RFP or the contract to be awarded under the RFP on behalf of the Respondent. Without limiting the foregoing one-contact provision, persons who are not employees of the Respondent shall not contact the Issuing Officer on behalf of the Respondent with respect to this RFP, any proposal submitted in response to the RFP, or the contract to be awarded under this RFP unless requested to do so by the Issuing Officer.

Notwithstanding the above paragraph, the vendor providing the foreign investment compliance analysis services at the time of this RFP, whether or not said vendor is a "Respondent" to this RFP, shall be authorized to continue communications with the Investment and Finance Division staff according to its standard operating procedures.

Violations of this one-contact provision may result in immediate disqualification from this and any future business opportunities with the SIC and Treasury.

Period of Contract

It is anticipated that the engagement will be for a period of two (2) years, with one (1) or more options to extend for no more than ten (10) additional years to be determined during contract negotiations. The SIC may choose to terminate the contract prior to the expiration date by providing written notice.

SECTION III: SCOPE OF WORK

SCOPE OF WORK

Scope of Work required includes:

- A. Investments in Northern Ireland -- On an annual basis, on or before May 15th, Respondent shall provide a list of corporations along with a report in accordance with R.I.G.L. §35-10-14, . This report shall include names and mailing addresses of all United States corporations operating in Northern Ireland in which the assets of ERSRI are invested (based on provided list), along with findings relative to their adherence to the standards for corporate activity as set forth in R.I.G.L. §35-10-14(a), and the extent to which each company adheres to principles of nondiscrimination in employment and freedom of workplace opportunity, and abide by the MacBride Principles of fair employment.
- B. Investments in Sudan -- On an annual basis, on or before May 15th, Respondent shall provide a list of scrutinized companies in accordance with Rhode Island Public Law 2007 Chapter 93 Sudan Investments, and specifically Section 3, to ensure compliance with current Rhode Island legislation pertinent to investments in Sudan. For each company identified on the list, Respondent shall include company name, company description, contact and mailing information, the sector in which the company is involved, whether ERSRI owns direct holdings in each company (based on provided list of direct investments), whether the companies engage in active and/or inactive business operations, and whether companies on the list are exempted from sanctions in accordance with Section 4(d) .
- C. Investments in Iran -- On an annual basis, on or before May 15th, Respondent shall provide a list of scrutinized companies in accordance with R.I.G.L. 35-10.3-1 *et seq.*, and specifically, R.I.G.L. § 35-10.3-3, to ensure compliance with current Rhode Island legislation pertinent to investments in Iran. For each company identified on the list, Respondent shall include company name, company description, contact and mailing information, the sector in which the company is involved whether ERSRI owns direct holdings in each company (based on provided list of direct investments), whether the companies engage in active and/or inactive business operations, and whether companies on the list are exempted from sanctions in accordance with R.I.G.L. § 35-10.3-4(4).
- D. Contracts with Iran -- On an annual basis, on or before May 15th, Respondent shall provide a list of persons or entities engaging in investment activities in Iran in accordance R.I.G.L. §37-2.5-3, and specifically R.I.G.L. §37-2.5-3(b). For each person and/or company identified on the list, Respondent shall include company name, company description, contact and mailing information, and the sector in which the company is involved. The Respondent shall agree to the publication of the list as a public document.

MINIMUM QUALIFICATIONS

Proposals that do not meet the following minimum requirements, or do not comply with the specification or material terms and conditions of this RFP, shall be considered non-responsive and may be rejected.

1. The Respondent has a minimum of five (5) years of experience with foreign investment contract compliance or with investment businesses that requires the same or similar services to those described in the Scope of Work set forth in this RFP.

2. Once selected, the Respondent will be qualified with the Secretary of State to conduct business in the State of Rhode Island and the qualification must be kept current throughout the term of the Agreement.

INFORMATION REQUESTED

Organization

1. Provide the name, title, address, e-mail address, and telephone number of the individual responsible for responding to this request.
2. Please describe your organization providing comment on the following:
 - a. Business background, organizational history (including year founded) and ownership structure
 - b. An overview of your organization
 - c. An overview of your parent company, if applicable
3. How many years has your company offered foreign investment compliance analysis or other legislative and regulatory compliance services?
4. Provide an organizational chart of your foreign investment compliance analysis operations. Indicate the number of employees you have in each functional area of these operations, their years of experience, and the location(s) in which these operations are provided.
5. What percent of your firm’s revenue is derived from foreign investment compliance analysis? What percent from other forms of compliance analysis? Describe any other forms of compliance analysis.
6. Does your company have any pending agreements to merge or sell your company or any of its units?

Experience and Process

7. Indicate the total number of foreign investment compliance analysis clients you have and the total number of public clients over the last 5 years.

Year	# Foreign Investment Compliance Clients	# Public Entity Foreign Investment Compliance Clients

8. Detail the foreign countries for which you have performed compliance analysis in the last five years and the nature of that analysis.
9. Describe your process for determining if:
 - a. A company in which ERSRI is invested meets the scrutinized company definition outlined in the referenced Rhode Island Iran and Sudan laws
 - b. A company in which ERSRI is invested adheres to the standards of corporate activity outlined in the reference Rhode Island Northern Ireland laws
10. Describe any databases you maintain on the status of companies. How many companies are entered into the database? What are the criteria for including a company? How many potential compliance issues are maintained on each company? What is the process for entering and maintaining data?
11. Attach a sample list of scrutinized companies to illustrate how you present your information. The list does not need to be current. Provide an explanation of the assignment if needed. (If necessary, confidentiality provisions are described on pages 9-10.)
12. Discuss how your firm would involve and coordinate with the Office of the General Treasurer and the State Investment Commission in client service-related matters. Which personnel will be assigned to this project?
13. Given the seasonality of data collection, is there a better deadline for generating the list than the May 15th date suggested in this RFP? If so, when and why?

References

14. Provide three references for which your firm provides similar services as requested in this RFP. Include entity name, contact name, phone number and email address. Provide a short description of the services you provide and the length of the contract. ?

Fee Proposal

15. Detail all fees associated with generating:
 - a. Investments in Sudan list
 - b. Investments in Iran list
 - c. Contracts with Iran list
 - d. Investments in Northern Ireland list
 - e. Any bundled pricing, should Respondent be selected for all four lists

SECTION IV: SELECTION PROCESS

SCHEDULE

RFP Issued	August 5, 2015
Deadline for proposers to submit questions	August 21, 2015
Response to questions	August 28, 2015
RFP Responses Due	September 11, 2015
Evaluations/Interviews/Selection	September-October, 2015
Contract Negotiations and Drafting	October, 2015

RESPONDENTS' QUESTIONS

Respondents should submit any questions using the online portal at

<http://www.treasury.ri.gov/rfp-calendar/rfps/foreign-investments/>

no later than 4:00 P.M. Eastern on August 21, 2015. All questions will be aggregated and posted publically on the RFP section of www.treasury.ri.gov. Treasury staff will not answer questions verbally or individually during the RFP process.

PROPOSAL SUBMISSION

Respondents should submit two (2) electronic copies: one (1) in PDF format and one (1) MS Word format to the online portal at:

<http://www.treasury.ri.gov/rfp-calendar/rfps/foreign-investments/>

no later than 4:00 P.M. Eastern on September 11, 2015. Proposals received after that deadline or proposal documents that are more than 10 megabytes will not be considered. Telephoned or faxed submissions will not be considered. If you have any technology issues, please contact Chris Cate at 401-462-7659.

PROPOSAL FORMAT

Proposals should be prepared in a concise manner, delineating the Respondent's capabilities to satisfy the requirements of this RFP. To expedite the evaluation of proposals, it is essential that Respondents follow the format and instructions contained herein. Proposals must include substantial evidence of the Respondent's commitment and ability to undertake the services required and outlined in this RFP.

A signed transmittal letter, no longer than one (1) page, should accompany each proposal setting forth the pertinent aspects of the proposal. The transmittal letter should designate the employee of the respondent firm who is authorized to contact the Issuing Officer on behalf of the respondent with respect to this RFP, any proposal submitted in response to the RFP, or the contract to be awarded under this RFP.

The SIC reserves the right to request and consider supplements to proposals or particular proposals after the deadline for initial proposals, until such time as a contract with a particular Respondent is finalized.

EVALUATION OF RESPONSES

The Foreign Investment Compliance Analysis provider will be selected based upon an assessment of the respondent's ability to provide the services as described above and the respondent's proposed bid. The selection process will consider the relevant experience of the respondent, the strength of the proposal, the demonstrated ability and willingness of the respondent to structure the best possible delivery of services, and the cost of the proposed services.

During the evaluation process, the SIC and Treasury staff reserve the right to request additional information or clarification from those submitting responses. Respondents may be asked to participate in a telephone interview, an in-person interview in Rhode Island, or an on-site visit at the Respondent's place of business.

Fees are a material element in awarding the contract pursuant to this RFP. The SIC and Treasury staff reserve the right to negotiate fees, and to request best and final offers. Fees, however, are only one of several factors used to evaluate proposals and the SIC and Treasury staff may rely on factors other than the lowest level of fees in awarding the contract pursuant to this RFP. Additionally the RFP response is also a material element, and will be incorporated by reference into any negotiated contract.

This RFP does not commit the SIC to make any selection or to pay any costs incurred in the preparation of the responses or attendance at interviews with the SIC in their sole discretion. The SIC reserves the right to accept or reject any or all responses received as a result of this RFP, to waive any nonconformity with the provisions hereof, to negotiate with any qualified source, and/or to cancel, in part or in its

entirety, this RFP. All proposals shall become the property of the SIC and shall be subject to public records request under RI law (Rhode Island Access to Public Records Act, Rhode Island General Laws §38-2-1 *et. seq.*).

Evaluation Criteria

The criteria for evaluation and weight assigned to each are summarized below.

- | | |
|----------------------------------|------------------|
| A. Organization | 25 points |
| 1. Organizational Stability | |
| 2. Compliance History | |
| 3. Compliance Resources | |
|
 | |
| B. Experience and Process | 50 points |
| 1. Experience | |
| 2. Breadth of Analysis | |
| 3. Analysis Process | |
| 4. Database Rigor and Resources | |
|
 | |
| C. Fees | 25 points |
| 1. Overall Cost | |

Other Considerations and Restrictions

Restrictions on Gifts

State ethics laws restrict gifts that may be given or received by employees and directors, and requires certain individuals to disclose information concerning their activities with State government. Firms are responsible to determine the applicability of these laws to their activities and to comply with the requirements. In addition, it is a felony offense to bribe or attempt to bribe a public official.

Non-Discrimination

All proposals shall be considered on the basis of their merit in accordance with the criteria specified herein and shall not exclude any person, firm, or other entity, from consideration on the grounds of sex, race, color, or national origin. Likewise, it is required that all respondents have established non-discrimination policies, including policies which prohibit discrimination in the selection of subcontractors. The respondents shall represent and warrant in their responses to this RFP that they do not discriminate on the basis of sex, race, color, or national origin, including but not limited to their selection of subcontractors.

State Code of Ethics

The State of Rhode Island and Treasurer are committed to maintaining the highest standards of ethics in the awarding of contracts. In accordance therewith, all Respondents should be familiar with and abide by the State Code of Ethics, as set forth in Rhode Island General Laws §36-14-1 *et. seq.*, and any additional regulations as provided on the State Ethics Commission website, <http://www.ethics.ri.gov/code/>.

Confidentiality Requirements

The staff members that are assigned by the successful Respondent to this project – be they employees of the Respondent, sub-contractors to the Respondent, or employees of sub-contractors – may be required to sign a non-disclosure statement.

The SIC may treat all information submitted by a Respondent in connection with this RFP as public records after awarding the contract pursuant to this RFP, unless the Respondent properly requests that

documents submitted by it be treated as non-public at the time of submission. The release of public records is governed by Rhode Island General Laws §38-2-1 *et seq.* (“APRA”). Respondents are encouraged to familiarize themselves with this law before submitting a proposal.

Any request by Respondents that records submitted by them be exempt from being considered public record must be included in the transmittal letter with the Respondents’ proposal. In addition, Respondents must enumerate the specific grounds upon which the APRA or other applicable law supports treatment of the documents as exempt from being considered a public record, and further, the factual basis, if any, upon which they rely in asserting that the documents should be exempt. Any request for treating records submitted as being exempt must also include: the name, address, and telephone number of the person authorized by the Respondent to respond to any inquiries by the SIC with regard to such an assertion.

Any proposals submitted that contain non-public records must be conspicuously marked on the outside as containing non-public information, and each page upon which non-public information appears must be conspicuously marked as containing non-public information. Identification of the entire proposal as being non-public records may be deemed non-responsive and may disqualify the Respondent.

If the Respondent designates any portion of the proposal as being a non-public record, the Respondent must submit one (1) copy in PDF format of the proposal from which the non-public record is deleted or redacted. This copy shall be submitted in addition to the number of copies requested in Section IV of this RFP. The non-public records must be excised in such a way as to allow the public to determine the general nature of the information redacted and retain as much of the proposal as possible.

The SIC will treat records marked as non-public as being confidential information to the extent such information is determined confidential under the APRA or other applicable law or by a court of competent jurisdiction. The Respondent’s failure to request records submitted as being non-public records will be deemed as a waiver of any right to confidentiality, which the Respondent may have had.

By submitting a proposal, Respondent agrees that the SIC may reproduce Respondent’s proposal for purposes of facilitating the evaluation of the proposal or to respond to requests for public records. Respondent consents to such reproduction by submitting a proposal and further warrants that such reproduction does not violate its rights or the rights of any third parties. The SIC shall have the right to use ideas or adaptations of ideas that are presented in proposals.

Placement Agent Disclosure

It is the SIC’s policy to prohibit the use of placement agents with respect to work performed for the SIC, and to require disclosure regarding vendors use of placement agents in other aspects of their business.

Transparency in Government Agreement

The Treasurer and the SIC recently adopted policies addressing transparency in government. The transparency in government agreement can be found at <http://investments.treasury.ri.gov/investment-philosophy/>.

The placement agent disclosure certificate, the code of conduct investor pledge can be referenced at: <http://data.treasury.ri.gov/dataset/investment-manager-and-consultant-policies-and-pledges>.

All forms will be required to be signed upon engagement, where applicable.