



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

**REQUEST FOR PROPOSALS FOR
GENERAL INVESTMENT CONSULTANT SERVICES**

**The Office of the General Treasurer in Conjunction with
The State Investment Commission
50 Service Avenue
Warwick, RI 02886**

RFP Issued: August 4, 2017

Proposals Due: September 6, 2017 by 5:00 p.m. EST

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SECTION I: GENERAL INFORMATION

The ten (10) member State Investment Commission (SIC), chaired by the General Treasurer, determines the State's investment policies. The SIC oversees about \$8 billion in assets for the Employees' Retirement System of Rhode Island (ERSRI or System) and investments in the TIAA-CREF defined contribution plan, a 401 (a) program. It also sets policies for investments of the Other Post-Employment Benefits trust and the State's 457 plans, as well as the CollegeBound Program, 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 provides investment, cash and debt management services for the State. The Division's staff interfaces daily with custodians, consultants, and fund managers on administrative matters and the transfer of 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 Ocean State Investment Pool, a voluntary program available to State, quasi-public agencies and municipalities for the management of their short-term assets, with a goal to improve investment performance of liquid assets.

Coverage:

The ERSRI is a public pension fund made up of, and serving as the investment and pension-benefit administrative agent for, six (6) defined benefit pension plans. While the assets of each plan are commingled for investment purposes, each plan's assets are accounted for separately and may be used only for the payment of benefits to the members of that plan in accordance with the terms of that plan.

Administration:

The ERSRI is administered by the Retirement Board, which consists of 15 members. The SIC is charged with overseeing the investments of the ERSRI.

The SIC consists of 10 members as follows:

- (1) the general treasurer, ex officio, or a deputy general treasurer as his or her designee, who shall act as chairperson,
- (2) the director of administration, ex officio, or any assistant director of administration as his or her designee, who shall act as secretary,

- (3) an active or retired teacher, state, or municipal employee member of the retirement system or official from the teacher, state, or municipal employee unions to be appointed by the general treasurer for a term of three years,
- (4) the executive director of the state retirement board, who shall be a nonvoting member,
- (5-7) three members of the general public to be appointed by the general treasurer, one of whom shall serve for an initial term of one year, and one of whom shall serve for an initial term of two years and until his or her successor is appointed and qualified and
- (8-10) three members of the general public to be appointed by the governor

Membership:

According to the *Actuarial Valuation Report as of June 30, 2016*, there were 31,662 active contributing members in ERS and MERS combined; 52 active contributing judges in the JRBT; 246 active contributing state police officers in the SPRBT; 7,028 active contributing TSB members; 5 active RIJRFT members; and 31,759 retirees and beneficiaries were receiving benefits from the entire ERSRI.

Assets:

According to the *Independent Auditor's Report for the Fiscal Year Ending June 30, 2016*, the ERSRI's Total Fiduciary Net Assets were \$8.1 billion as of June 30, 2016, a net decrease of \$301 million from June 30, 2015. Total pension benefits paid to members from the defined benefit plan were \$932 million, an increase of 28.4 million or 3.2% compared to the fiscal year ended June 30, 2015. Total benefits paid in 2016 included approximately \$23.3 million in one-time stipends and a benefit adjustment related to the settlement of litigation challenging the Rhode Island Retirement Security Act pension reform provisions. Contributions to all defined benefit plans from both employers and employees at June 30, 2016 were \$564.6 million, an increase of \$58 million or 11.4% compared to the fiscal year ended June 30, 2015.

Total employee and employer contributions into the System's defined contribution plan for the year ended June 30, 2016 were \$109.5 million, a decrease of \$20.2 million compared to the fiscal year ended June 30, 2015. As a result of amendments to the Rhode Island Retirement Security Act, active members with more than 20 years of service at July 1, 2012 no longer contributed to the defined contribution plan effective July 1, 2015. Total distributions paid to members from the defined contribution plan were \$9.2 million.

Actuarial Funding:

According to the *Actuarial Valuation Report as of June 30, 2016*, the funded ratio for the state employees' portion of ERS was 56.0%; the funded ratio for the teachers' portion of ERS was 58.3%; the funded ratio for MERS was 83.0%; the funded ratio for the JRBT was 98.6%; the funded ratio for the SPRBT was 91.4%; the funded ratio for the RIJRFT was 2.59%; and the funded ratio for the TSB was 153%.

The actuarial investment return assumption utilized for ERSRI is 7.50%. On May 15, 2017, the Employees' Retirement Board of Rhode Island voted to approve a 7.00% investment return assumption after an Actuarial Experience Study. For more information please refer to the minutes from the May 15, 2017 meeting at <http://sos.ri.gov/documents/publicinfo/omdocs/minutes/4527/2017/53741.pdf>.

Investments:

The most recent report to SIC, with investment data as of June 30, 2017, can be found at <http://data.treasury.ri.gov/dataset/74fc3050-7f14-4593-8860-660598d1b898/resource/ff054d52-098b-49e8-bcc4-e758ef1b1bd2/download/June-2017-SIC-book.pdf>. For cash flow, asset allocation and performance information, please refer to sections III, IV and VI. Note that the next SIC report will be released following the August 23, 2017 meeting and may include changes to reflect the asset allocation policy that was approved on September 28, 2016.

SECTION II: PURPOSE OF REQUEST FOR PROPOSALS

PURPOSE AND TERM

The SIC is seeking proposals from qualified investment consulting firms interested in providing consulting services for assets of the ERSRI for a period of three (3) years with the possibility for one (1) year extensions to be negotiated at time of selection.

ISSUING OFFICER, CONTACTS AND LOBBYING

The Issuing Officer identified below is the sole point of contact regarding this RFP. No contact with any other employee of the Treasurer, Board member, or state official is permitted with respect to this RFP, any proposals submitted in response to the RFP, or the contract to be awarded pursuant to this RFP. This prohibition applies from the date of release of this RFP until the date a contract is executed, unless otherwise requested by the Issuing Officer. This prohibition includes, but is not limited to, any lobbying efforts directed at state legislators or any state officer or employee who might reasonably be considered to have influence over the process and outcome. Violations of this one-contract provision may result in immediate disqualification from this and any future business opportunities with the Office of the General Treasurer and/or the SIC.

The Issuing Officer for this RFP is:

Alec Stais
Chief Investment Officer
Rhode Island Office of the General Treasurer
1 Capitol Hill, 4th Floor
Providence RI 02908
Alec.stais@treasury.ri.gov

SECTION III: SCOPE OF SERVICES, QUALIFICATIONS AND INFORMATION REQUESTED

SCOPE OF WORK

The SIC intends to hire one or more firms to provide the following general yet separate categories of *investment consulting services*:

Category A: Development and monitoring of Asset Allocation strategies and Investment Policies, Guidelines, Statements, and Restrictions for the System's investments.

- Advising on the development, implementation and/or revision of investment policies, guidelines, statements, and restrictions;
- Providing annual asset allocation reviews and recommendations, including annual reports that state specific forecasts of return, risk and correlations for all asset classes – including the consideration of the advantages and disadvantages of various styles of investment management, including active versus passive, internal versus external, higher or lower levels of risk in various investment classes and the appropriate number and types of external managers;
- Advising on risk management issues;
- Advising on management structure (e.g. active vs. passive, investment style mix);
- Advising on strategic and tactical investment issues;
- Analyzing investment managers' adherence to investment policies, guidelines, statements, and restrictions established for each portfolio;
- Providing analytical software (or an on-line system) that will allow the General Treasurer, including the SIC, to analyze and evaluate asset allocation optimization scenarios and investment structures and styles;
- Providing research on special investment topics as requested;
- Advising on rebalancing policies;
- Advising on transition management issues and strategies;
- Working cooperatively with the System's actuarial consultant to provide periodic asset/liability studies as requested;
- Performing educational sessions for the SIC and its staff as required;
- Providing on-site consultation and assistance, as requested; and
- Attending SIC meetings and manager search finalist interviews as requested by the SIC

Category B: Selection, monitoring, and evaluation of investment managers for liquid strategies in the areas of equities and fixed income investment categories.

- Advising on investments in liquid markets including equities, fixed income, currencies and commodities.
- Providing or assisting in investment manager searches within the asset classes mentioned above, including summaries of prospective candidates, scheduling of interviews, recommendations for final selection of managers, operational and investment due diligence reports for recommended managers;
- Providing ongoing monitoring and review of investment managers in operational and investment matters and advising on watch list placements and termination recommendations;
- Performing overall quarterly performance analysis by manager in these asset classes, including peer universe comparisons at the asset class and total fund levels, and providing annual reports on same;
- Providing on-site consultation and assistance, as requested; and
- Attending monthly SIC meetings (approximately twelve (12) per year) and any manager search finalist interviews.

Category C: Performance of an annual overall investment analysis of all of the System's investment managers and other investment consultants.

- Performing an annual overall performance analysis by manager, asset class, and total fund, including peer universe comparisons at the asset class and total fund levels, and providing annual reports on same;
- Overseeing investment managers in conjunction with the SIC, including periodic reviews, interviews and on-site visits of managers as requested by the SIC;
- Analyzing and advising on the capabilities of investment managers (those under contract to the System and also prospective firms that the SIC may review in manager search processes), including the analysis of a firm's personnel, investment philosophies and processes, internal and risk controls, risk-adjusted performance and performance relative to peers;
- Analyzing the number of external money managers and the sizes of the accounts, for comparison with industry standards of diversification;
- Reviewing the guidelines (including a review of the relevant internal controls, compliance policies and monitoring procedures employed by the system's external investment managers) which are used to evaluate the managers to determine whether they adequately define risk and identify expenses;

- Analyzing the investment management expenses for managing the fund, and comparison with other large institutional investors and industry standards in relation to the performance of the fund;
- Evaluating other costs associated with asset management, including consulting, custody, securities lending, transaction fees, brokerage fees, hard and soft dollars, commissions (if applicable), and any other costs;
- Providing analytical software (or an on-line system) that will allow the SIC to analyze investment manager performance (including the capability of determining if a manager's performance is within established limits for tracking error or active risk);
- Providing on-site consultation and assistance, as requested; and
- Attending SIC meetings as requested by the SIC.

MINIMUM QUALIFICATIONS

To be considered for the general investment consultant mandate described above, the Firm must meet the following minimum requirements:

1. Firm must be a registered investment advisor under the Investment Company Act of 1940;
2. Firm must agree to be, with respect to the System, a "fiduciary" as defined in Section 3(21)(A) of the Employee Retirement Income Security Act of 1974 ("ERISA"), and to perform the fiduciary duties imposed on an ERISA fiduciary under that act, regardless of the scope of ERISA's application to the System;
3. Firm must have provided at least five (5) years as of investment consulting services comparable to the Scope of Services contained in this RFP to at least three (3) defined benefit public retirement systems or comparable entities, each of which must have had at least \$5 billion in assets;
4. Firm must agree to disclose all potential conflicts of interest as such exist or occur, and annually disclose all sources of revenue and all affiliations;
5. Firm must agree to a hard dollar fee arrangement for its services, with such arrangement to be negotiated between the SIC and the Firm;
6. The individual assigned to the System as Primary Consultant must have a minimum of ten (10) total years of experience as (a) the Primary Consultant to, and/or (b) the Chief Investment Officer of, at least one public defined benefit pension fund. This individual must have at least five (5) years of experience as the Primary Consultant to or Chief Investment Officer of at least one public pension fund with at least \$5.0 billion in assets, whether that experience was included in or in addition to the ten year requirement above.

The term “Primary Consultant” shall refer to the lead, most senior consultant assigned to regularly provide direct investment consulting services in a consulting relationship.

7. Firm must carry adequate fiduciary liability insurance, errors & omissions insurance, and fidelity bond insurance.

The Firm has a continuing obligation to disclose information throughout the RFP process should any qualifications or situations change that might render the Firm an unqualified candidate.

INFORMATION REQUESTED

1. Provide the name, address, telephone and e-mail address of the Firm’s representative to contact regarding all contractual and technical matters concerning the Firm’s proposal.
2. Provide the address of the Firm’s main corporate office, and location(s) by city of all other offices that provide services similar to those requested in this RFP. Indicate which office will be the primary office in servicing the SIC, and any other offices that will be involved in providing services to the SIC. Provide the number of employees located at each office location, and describe the general function(s) of each office.
3. Please indicate whether the Firm intends to utilize any subcontractors in delivering the scope of services and provide the name and qualifications of any subcontractors that the firm intends to use for this mandate.
4. Briefly describe Firm’s history and current ownership structure listing the owners of the Firm from largest to smallest percentage of ownership. Include individuals and corporate owners, and indicate which individual owners are employed by your Firm. Please indicate whether the Firm is owned, in whole or in part, by a money management firm or firms.
5. Provide as Exhibit A an organization chart of the Firm and describe the relationship between the investment consulting group and any other components of the Firm. If the Firm offers asset management services or brokerage services, please describe any overlap in personnel between those components and the investment consulting group.
6. Describe any significant developments in the Firm organization such as changes in ownership, restructuring, or material personnel reorganizations within the past three (3) years. Please describe any anticipated significant structural changes to the Firm’s organization within the next twelve (12) months.
7. Provide the percentage of total Firm revenues that came from the categories listed below for each year:
 - i. Consulting with the Plan Sponsors
 - ii. Money Management Activities
 - iii. Services to Money Managers/Payments from Money Managers

- iv. Soft Dollars
- v. Other (Please describe)

Indicate whether the Firm accepts pay for referrals or finder's fees?

8. Please describe the types of services the Firm provides to investment management firms and the fee arrangements that typically apply. Indicate whether the Firm directly or indirectly charges money managers to be included in the Firm's manager research database. Indicate whether the firm receives revenues from money management firms for their attendance at conferences or meetings sponsored by the Firm. Indicate whether the Firm or a related company receives any form of compensation or revenue from money managers that your Firm recommends, considers for recommendation, or otherwise mentions to clients. Indicate whether the Firm receives any revenues from custodian banks.
9. Please indicate, and detail where applicable, whether the Firm, its principals, any primary employees, or any affiliate has ever:
 - (i) been the focus of a non-routine Securities and Exchange Commission (SEC) inquiry or investigation or a similar inquiry or investigation from any similar federal, state or self-regulatory body or organization,
 - (ii) been involved in any litigation or other legal proceeding or government investigation involving fraud, negligence, criminal activity or breach of fiduciary duty relating to service provided to any clients, or
 - (iii) submitted a claim to your errors & omissions, fiduciary liability and/or fidelity bond insurance carrier(s)?
10. Briefly describe any currently pending or threatened litigation involving the Firm.
11. Has the Firm ever received loans from any money management firms, their subsidiaries, or principals? If yes, please explain.
12. Does the Firm, its principals, or any affiliate, own any part of a money management firm, broker-dealer, or other organization that sells services to institutional investors and/or SEC registered investment advisors? If so, identify the firm(s) and describe the service and the relationship to the consulting group.
13. Does the Firm, its principals or any affiliate have any "strategic alliance" with any broker or investment management firm? If yes, please disclose with whom and describe the nature of the alliance.
14. Does the Firm offer a broker/dealer facility to plan sponsor clients to pay for or offset your fees? Are there additional services the Firm offers plan sponsors through its broker/dealer?

15. Does the Firm receive any soft dollar revenues from investment managers through an affiliate broker? If yes, what percentage of soft dollar revenues in each of the last three calendar years was due to client direction?
16. Identify any potential conflicts of interest that could exist between the SIC/System and a) other client interests, or b) that may result from other investment products or services provided by the Firm or affiliated organizations. Describe the Firm's policies and procedures designed to prevent conflicts from occurring. Provide as Exhibit B the Firm's conflict of interest policy and Code of Ethics.
17. Provide the coverage amount and name of carrier for the following:
 - Fiduciary liability insurance
 - Errors & Omissions insurance
 - Fidelity Bond insurance
 - Any other applicable insurance
18. Briefly describe the Firm's disaster recovery plan.
19. Provide as Exhibit C the Firm's most recently filed Form ADV – Part II.

Experience

20. Describe the Firm's relevant experience providing consulting services to large public fund clients in each of the following areas:
 - Asset Allocation and Asset/Liability studies
 - Investment Policy development
 - Money manager evaluation and monitoring
 - Risk budgeting and risk management
 - Hedge funds
 - Private Investments (private equity, real estate, real assets, etc.)
 - Currency overlay strategies
 - Transition management
 - Performance measurement
 - Fiduciary and investment education for clients

21. Explain how the team dedicated to the SIC would function. Identify the Primary Consultant, who will serve as the back-up consultant in situations when the Primary Consultant could not attend a meeting, and who will lead the analytical work on the relationship.
22. Provide as Exhibit D biographies of the personnel that will be assigned to the SIC relationship.
23. Provide as Exhibit E biographies of the Firm's other key investment consulting personnel (defined as any position including and above the senior associate level).
24. Provide as Exhibit F a table that lists all key personnel (defined as any position including and above the senior associate level) that have departed the Firm's consulting group in the past five (5) year period. Provide the following information: MM/YY of departure, name of person, title, division or assigned group, length of employment with the Firm and the name of the person that replaced them. List key personnel by date of departure so that the most recent departure appears first on the list.
25. Describe the Firm's compensation and incentive program for its consultants and other professionals including incentives that are provided to attract and retain superior individuals, how the Firm factors client performance and satisfaction to a consultant's compensation and what percentage of a consultant's annual compensation is based on client performance or satisfaction.
26. Provide the number of institutional clients and the total assets under advisement of the Firm's full-service retainer investment consulting relationships for each of the last five (5) years. (Performance evaluation services or project-based work alone are not considered full-service retainer investment consulting relationships.)
27. For each calendar year beginning in 2012, provide the name and dollar amount of assets of all full-service retainer investment consulting clients that terminated their relationship with the Firm. Provide the reason for each termination. Please also identify and describe any client terminations since 2012
28. List the number of full-service retainer investment consulting clients by category as of June 30, 2017:

	All	Public DB Plans
Less than \$1 Billion		
\$1-5 Billion		
\$5 – 15 Billion		
Over \$15 Billion		

29. Provide as Exhibit G a list of the Firm's investment consulting clients (excluding defined contribution plan relationships) as of June 30, 2017. For each client, provide the type of client (public, corporate, Taft-Hartley, private, etc.), the approximate size of the relationship (market value of assets), the number of years the Firm has provided services to the client, and the type of relationship (retainer or special projects only).
30. Provide references for three (3) current defined benefit public pension fund or comparable clients that have utilized the Firm's investment consulting services for at least five (5) years each. Include the name of the client, contact person and telephone number. Provide the same information for three (3) former defined benefit public pension plan clients that terminated the Firm in the last five (5) years.

Philosophy & Processes

31. Describe the Firm's philosophy as it pertains to investment consulting. What role does the Firm see itself playing for a defined benefit pension fund client such as the System? Identify the Firm's consulting specialties, strengths, and limitations?
32. Describe any common beliefs about the investment markets which underpin the Firm's investment advice across all clients.
33. Please describe how a client should measure its investment consulting firm's "performance"? Please explain and furnish any relevant information regarding the Firm's performance record for clients similar to the System
34. Describe the Firm's recommended manager search process for large public fund clients. What key criteria should be emphasized in a search?
35. Describe how the Firm monitors a client's investment managers. Besides investment returns, what key criteria does the Firm consider in the review of an investment manager? What is the appropriate time period for evaluating an active investment manager's performance? At what point would the Firm recommend terminating an investment manager? What are the appropriate long-term alpha targets for active managers within asset classes?
36. Explain the Firm's views on the use of passive versus active investment strategies and the use of global mandates versus regional specialist mandates.
37. Explain the Firm's views on the use of hedge funds and the role that they should or should not play in a public fund's portfolio.
38. Explain the Firm's views on risk management for a large public fund. What specific insights does the Firm have with respect to the System's strategic asset allocation in light of its funded status, cash flow pattern and ROA targets?

39. Discuss the Firm's view on risk budgeting and describe any experience the Firm has in assisting clients in establishing risk budgets.
40. Discuss the theory and methodology of the asset allocation models the Firm employs. Are there any professionals dedicated specifically to this function? Describe the Firm's methodology for establishing asset class risk and return assumptions. How frequently does the Firm review its capital markets expectations?
41. Provide as Exhibit H the Firm's current long-term asset allocation assumptions, including forecasts for the expected return and risk for each asset class, as well as a table indicating the assumed correlations between asset classes.
42. Describe the Firm's capability and experience in conducting asset-liability studies. How should the System's liabilities, funding level, and changes in the contribution level be incorporated into the asset allocation decision? Given the long duration of pension liabilities, what is the most appropriate means of "asset matching" for those liabilities?
43. Describe the Firm's recommended process for assisting clients with policy guideline development and review. What specifically would the Firm do to develop or review the policies of the System? How frequently would this process occur? What client-specific factors would be considered? How would the System and/or the SIC be involved in the process?
44. Describe the Firm's capabilities in providing performance measurement at the manager, asset class and total fund level. Is the Firm's database(s) proprietary or purchased? How is data input and verified? How would the SIC access the System's performance information?
45. Describe how benchmarks are chosen or developed and how performance is compared to similar portfolios. Can the Firm provide custom benchmarks, style benchmarks, and/or normal portfolios? Please also describe the database(s) the Firm uses for peer universe comparisons.
46. Describe the Firm's recommended process for providing investment and fiduciary education of trustees and staff.
47. Describe the Firm's view of Economically Targeted Investment (ETI) programs and of Emerging Manager programs? Describe the Firm's view of Environment/Social/Governance/Impact criteria as they apply to investing. Explain how these programs meet the tests of fiduciary responsibility.
48. Describe the Firm's capabilities and experience negotiating hard dollar fee arrangements with investment managers on behalf of clients. Does the Firm believe that such arrangements are worthwhile? If yes, what key principles should be incorporated into any fee arrangement?

Research & Technology

49. Indicate if the Firm develops investment research reports for its clients. If so, describe the types of investment topics and identify who performs the research and how frequently reports are issued. Describe any regular or periodic research reports the Firm produces for clients, and indicate the frequency it provides them. Identify the sources of information that is used to collect data.
50. Describe how the Firm conducts research on investment management firms and their products. How many research analysts are dedicated to this function? How often will a representative of the Firm's manager research group typically perform an on-site visit to an investment management firm? How are product classifications arrived at? Does the Firm maintain a "buy list" of managers for specific product classifications?
51. Indicate if the firm maintains a manager research database and indicate if the database is proprietary or purchased. If the Firm's has an in-house database, please indicate if it is sold to third parties and if the Firm receives compensation for selling it. Describe any advantages that the Firm's database has over its competitors. How often are managers in the Firm's database reviewed? Under what circumstances are managers added to or deleted from the Firm's database? Describe how the Firm gathers, verifies, updates, and maintains the data collected on managers for the database. Indicate if the Firm surveys or meets with managers.
52. Describe the Firm's information technology capabilities and resources. Further describe how the Firm uses the technology to share and leverage information resources across the organization.

SECTION IV: PROPOSED FEE

1. Provide the flat hard dollar annual fee the Firm would charge for providing all of the services described in this RFP. The fee quoted should include all travel, preparation of memoranda and/or presentations to the SIC, and other out-of-pocket expenses.
2. Please identify other expenses (not identified above), if any, that the Firm intends to charge.
3. Please describe the approach the Firm will take to control costs, including any discounts.

Fees are a material element in awarding the contract pursuant to this RFP. The Treasurer and/or the SIC reserves the right to negotiate fees and request best and final offers. Fees, however, are only one of several factors used to evaluate proposals and the Treasurer and/or SIC may rely on factors other than the lowest level of fees in awarding the contract pursuant to this RFP.

SECTION V: SELECTION PROCESS

SCHEDULE

RFP Issued	August 4, 2017
Deadline for proposers to submit questions	August 15, 2017
Response to questions	August 25, 2017
RFP Responses due	September 6, 2017
Evaluations/interviews/site visits*	September – October 2017
Consultant Recommendation & Selection*	November – December 2017
Contract Negotiations and Execution*	December 2017

*Indicative schedule

Firm Questions

If a Firm has any questions, it should submit its questions using the online portal at <http://www.treasury.ri.gov/rfp-calendar/rfps/general-investment-consultant-services-rfp> no later than 4:00 P.M. Eastern on August 15, 2017. All questions will be aggregated and posted publicly on the RFP section of www.treasury.ri.gov. Questions will not be answered verbally or individually during the RFP process.

Proposal Submission

Firms should submit two (2) electronic copies: (1) in PDF format and (1) MS Word format to the online portal at <http://www.treasury.ri.gov/rfp-calendar/rfps/general-investment-consultant-services-rfp> no later than 4:00 P.M. Eastern on September 6, 2017. Proposals received after that deadline will not be considered. Telephoned or faxed submissions will not be considered. If you have any IT issues please contact Chris Cate at 401-462-7659.

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

EVALUATION OF RESPONSES

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

During the evaluation process the Treasurer, Issuing Officer, and/or the SIC staff reserve the right to request additional information or clarification from those submitting responses. Firms may be asked to participate in a telephonic interview, an in-person interview in Rhode Island or an on-site visit at the Firm's place of business.

The RFP does not commit the Treasurer or the SIC to make any selection or to pay any costs incurred in the preparation of the responses or attendance at interviews. The Treasurer and/or the

SIC in his/their sole discretion, reserves the right to accept or reject any or all, or part thereof, responses received as a result of this RFP, to waive any nonconformity with the provisions hereof, to waive or not waive any immaterial technicality or irregularity, deviation, or defect in a proposal, to negotiate with any qualified source, to cancel or withdraw this RFP at any time, with or without cause or whenever it would be in the best interest of the Treasurer or the SIC to do so, and to accept the proposal it considers most favorable to the SIC/System. Any waiver of an immaterial deviation or defect shall in no way modify the RFP or excuse the Firm from full compliance with the requirements of the RFP. All proposals shall become the property of the Treasurer/SIC.

Evaluation Criteria

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

A. Organizational Characteristics **25 points**

1. Organizational Stability
2. Depth of Service Team
3. Experience with Public Plans
4. Experience with Plans of Comparable Size

B. Program Administration and Recordkeeping Services **15 points**

1. Reporting/Performance Measurement Capabilities
2. Quality of data processing & administrative support

C. Investment Capabilities **45 points**

1. Breadth of Platform and Investment Offering
2. Investment Philosophy (general)
3. Investment Philosophy (RI specific)

E. Fees **15 points**

1. Fees for Advisory Services
2. Potential Fee Savings from Manager Relationships

SECTION VI: OTHER CONSIDERATIONS AND RESTRICTIONS

CONFIDENTIALITY

The Treasurer and/or the SIC shall treat all documents submitted by a Firm in response to this RFP as public record upon the selection of a Firm. The release of public records is governed by Rhode Island General Laws §38-2-1 *et seq.* (“APRA”). Firms are encouraged to review this law before submitting a proposal.

By submitting a proposal, the Firm agrees that the Treasurer and/or the SIC may reproduce Firm’s proposal for purposes of facilitating the evaluation of the proposal or to respond to requests for public records. The Firm 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.

Any request by the Firm that records submitted by it be exempt from being considered public records must be included in the cover letter with the Firm's proposal. In addition, Firm 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 Firm to respond to any inquiries by the Treasurer and/or the SIC regarding such an assertion.

Any proposals submitted which 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 Firm.

If the Firm designates any portion of the proposal as being a non-public record, the Firm must submit one (1) copy 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 V 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 Treasurer and/or the SIC will treat the 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 Firm's failure to request records submitted as being non-public records will be deemed as a waiver of any right to confidentiality, which the Firm may have had.**

RESTRICTIONS ON GIFTS

State ethics laws restrict gifts which 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.

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. Firms 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/>.

NON-DISCRIMINATION

All proposals shall be considered on 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 race, color, religion, sex, sexual orientation, gender identity or expression, age, national origin, or disability. For more information, see the State of Rhode Island Office of Diversity, Equity & Opportunity website at <http://odeo.ri.gov/offices/eoo/>. Further, see the Treasury's Equal Opportunity Report for 2016 at <http://data.treasury.ri.gov/dataset/eeop-utilization-report>.

PLACEMENT AGENT DISCLOSURE CERTIFICATE

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

CODE OF CONDUCT INVESTOR PLEDGE

The Treasurer has a strict policy with regard to political contributions and the adherence to the rules and laws drafted by the Securities and Exchange Commission (SEC), including the Investment Advisers Act of 1940 CFR Part 275, Rule 206(4)-5 and the Municipal Securities Rulemaking Board (MSRB), including Rule G-37. The successful Respondent will be required to comply with said policy and to complete and sign an appropriate disclosure statement.

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.

DATA SECURITY

Failure of the vendor or any of its subcontractors to employ commercially reasonable measures in accordance with industry standards to protect against unauthorized access, use or disclosure of participant data held directly by the vendor, or such subcontractor (as the case may be), must agree to have no limitation of liability.

LIMITED LIABILITY AND INDEMNITY

Neither the Treasurer nor the SIC will enter into limited liability clauses of any type.

The Firm agrees to indemnify, defend and hold harmless the Treasurer and the SIC, his/its directors, officers, employees and agents from any and all claims made including, but not limited to, claims for salaries, liability for tax withholding, workers' compensation, disability or miscellaneous employment benefits, whether based on tort, contract or other theories of recovery arising out of injury, disability, or death of the vendor's employees or independent contractors.

The Firm shall perform a background investigation on all contract employees working for the Firm under an executed agreement.

GOVERNING LAW

The executed agreement shall be interpreted and construed under the laws of the State of Rhode Island without reference to its conflicts of laws principals.

SUBCONTRACTORS

No subcontractors or collateral agreements shall be permitted without the prior written consent of the Treasurer/SIC. Upon request, the Firm must submit to the Treasurer/SIC a list of all subcontractors to be employed in the performance of any services or other contract arising from this RFP.