GOVERNANCE REVIEW SERVICES RFP – Q&A (similar questions have been consolidated)

- For what reason is the Office of the General Treasurer and the SIC undertaking a review of investment governance?
  - The General Treasurer and the SIC believe it is prudent to examine the governance structure around the investment decision-making process to ensure it is efficient and effective.
- Has the State conducted a past independent or internal review of its investment governance, policies, and operations? When is the last time that such a review has been performed?
  - No.
- What specific questions about the investment governance structure is the SIC looking to answer? (Section III, Scope of Work Item A)
  - The SIC would like to review the time it allocates to certain tasks such as the portfolio management process and determine other areas the board should focus on and what tasks, if any, are appropriate to delegate to staff and/or consultants, etc. Currently, Staff makes recommendations and the SIC has final authority over most investment decisions like manager hiring and termination, asset allocation, investment structuring. Staff then implements decisions.
- Is there a time frame in which this project is to be completed?
  - There is no completion date. Sufficient time, within reason, will be permitted to conduct the project. Respondent should provide a general timeline.
- Does the SIC have an expectation for the project budget? If so, please advise.
  - There is no expectation for the project cost, however, fees proposed will be used to evaluate and select a firm.
- Assuming travel expenses are included in the proposed flat fee, what additional expenses is the SIC hoping to understand through the fee proposal (Section IV, Item 2)?
  - Currently, the SIC is amenable to remote participation in meetings by consultants. The proposed fee should be all inclusive.
- Do you anticipate the consultant selected will be on-site for presentations or can it be done virtually?
  - As noted above, we are amenable to remote participation.
- Does the State Investment Commission (SIC) have any committees?
  - No
- Are there individuals or vendors that are restricted from participating?
  - Vendors should be in compliance with Rhode Island General Laws § 37-2.5-3: http://webserver.rilin.state.ri.us/Statutes/TITLE37/37-2.5/37-2.5-3.htm.
- Is this governance review project only for the Employees’ Retirement System of Rhode Island or will the scope also include the State’s 529 Savings Plans, the State’s Defined Contribution Plans, and the State’s Short Term Cash Investments?
  - This project should focus on ERSRI.
- Does the SIC have by-laws, charters or policies that govern its work beyond what is in the statutes? If so, can they be provided to respondents?
  - The current ERSRI Investment Policy Statement is located here: ERSRI IPS
  - Other useful information can be found here: http://investments.treasury.ri.gov/
o No other by-laws, charters, or policies exist.

• The Scope of Work refers to a review of by-laws, charters, and policies (Section III). How many documents comprise the by-laws, charters, and policies to be reviewed? Please list the titles of the charters and policies or provide links to where they reside online.
  o See above

• What type of external advisors are engaged by the SIC, for example, general investment consultant; asset class or other specialty investment consultants; legal; investment performance?
  o The SIC has engaged a general pension consultant, an alternative investment consultant, and a real estate consultant. Performance is calculated by the custodian. Legal services are primarily provided by an outside firm.

• If we have additional reference materials that would cause us to exceed the 15-page limit, would you like us to include them as appendices or to only submit up to 15 pages?
  o Please include additional appropriate reference material as appendices.

• The RFP states that staff and consultants assist the SIC (Section I, General Information). Since Commission interactions with staff is included in the Scope of Work (Section III, Item F), is it expected for the consultant to interview staff and consultants? If so, approximately how many individuals would need to be interviewed?
  o It is expected that Staff members, SIC members, and consultants would participate in this project. There are five members of the Investments team, ten members of the SIC, and three consultant relationships (as described above). Interviews/questionnaires/surveys could include all of the above or some subset.

• The RFP states that the consultant is to be evaluated by its ability to benchmark SIC practices with an appropriate peer group (Section V, Selection Process, Item B). Does the SIC have a peer group in mind for this project? If so, how many peers are included? May the consultant recommend peers for inclusion in the benchmarking?
  o The appropriate peer group would be similarly situated public pension funds, to be determined by the successful bidder in conjunction with the Investment Staff and the SIC.