



NON-INVESTMENT RELATED PROCUREMENT



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May 21, 2019



Agenda

1. Documentation Requirements
2. Required Actions for Proper Procurement (M.G.L. c. 32, § 23B)
3. Remember Your Other Fiduciary Responsibilities
4. PROSPER Screens
5. Form Samples

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1. DOCUMENTATION REQUIREMENTS

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NOTES:

1. Documentation Requirements

- Procurement File for every investment, legal, actuarial and accounting service contract.
- Chapter 176 of 2011 inserted Chapter 32, Section 23B(d), requiring a procurement process. This requirement applies to any contract as of February 16, 2012.
- The procurement process requires necessary documentation so that trustees can meet the standard of a prudent expert in taking all actions related to procurement as fiduciaries.
- All written procurement documents are to be retained by the retirement board for six years from final payment of the contract.

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2. REQUIRED ACTIONS FOR PROPER PROCUREMENT

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NOTES:

2. Required Actions For Proper Procurement (M.G.L. c. 32, § 23B)

- Content of notice posting
- Request For Proposal (“RFP”) issuance
- Register of bids from opening of proposals
- Written initial evaluation of proposals
- Interviews
- Written determination of most advantageous proposal
- Actual written contract with mandatory terms and conditions
- PERAC acknowledgement
- Awarded service contracts
- Vendor and retirement board member certification forms
- Disclosures by investment vendors
- Placement Agent Statement
- Penalties for violations

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Content of Notice Posting

- Notice must contain the terms and deadline for RFP bid period.
- Type of service must be on the notice.
- Evidence of minimum two week posting in a publication of interest to those who may respond:
 - Legal services in *Lawyers Weekly*
 - Investment, accounting and actuarial services in *Pensions and Investments*
 - Newspapers of general circulation
 - PERAC and retirement board websites
 - Other types of advertisements deemed appropriate by a retirement board.
- Notice in a publication established by the Massachusetts Secretary of State for the advertisement of such procurements, i.e. *Central Register* and *Goods & Services Bulletin*.

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NOTES:

Request for Proposal (“RFP”) Issuance

- Specific date, location and time for receipt of advertised proposal.
- Include description of service purchase desired.
- Evaluation criteria for the basis of the contract award.
- All contractual terms and conditions.
- Notice that retirement board has right to cancel or reject in whole or part any or all proposals in the best interest of the retirement system.
 - The retirement board shall state in writing the reason for a cancellation or rejection.

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Register of Bids From Opening of Proposals

- Not required to be a public meeting but the signature of a witness or witnesses are needed. At least one witness is required to be at the opening of sealed bids.
- Written notice of any submitted modifications or revisions to filed bids.
- A register of all proposals received must be documented.
- The place, time and date proposals are opened must be documented.
- A written affidavit should be used to document the requirements for the opening of bids.

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NOTES:

Written Initial Evaluation of Proposals

- Each proposal to be rated in written format based solely on the criteria established in RFP.
- Such written ratings should be based on some rating criteria using the standards:
 - Highly Advantageous
 - Advantageous
 - Not Advantageous
 - Or Not Acceptable (A composite or total points for each bid should be stated.)
- If such evaluation is done by consultant, each submission of review with each retirement board member should take place and be documented.
- Evaluation must be completed prior to interviewing process.
- No sub-committees.

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Interviews

- Following the initial evaluation, the retirement board must determine which applicants should be interviewed by the entire retirement board (no sub-committees).
- Number of applicants to be interviewed dependent on two factors:
 - Rankings
 - Number of Applicants
- Time to negotiate price, discuss track record, specific concerns.

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NOTES:

Written Determination of Most Advantageous Proposal

- Based on price and evaluation criteria set forth in the RFP.
- Award is to be made in writing within the time specified in the RFP.
 - An extension of up to 45 days may be granted upon mutual agreement of retirement board and offeror.
- Award may be conditioned on negotiated items.
- If negotiations result in a decision not to award contract to “Most Advantageous”, the retirement board may negotiate with the “next Most Advantageous” vendor and should document the need for such further negotiations.
- Investment service RFP to also include certain mandatory terms and conditions.

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Actual Written Contract With Mandatory Terms and Conditions For Investment Service Providers

- Statement that vendor is a fiduciary of such fund.
- Statement that vendor is not to be indemnified by the retirement system.
- Vendor to submit disclosure forms to PERAC and retirement board detailing compensation for services.
- Disclosure by vendor to PERAC of any conflict of interest.
- Investment Service Provider terms required by Placement Agent Policy.

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NOTES:

PERAC's Acknowledgement

- Upon determination of the Most Advantageous Proposal, the retirement board must submit all RFP required documents.
- PERAC acknowledges the receipt of the RFP documents.
- It is the responsibility of each retirement board to assure that all investments are made in a prudent and responsible manner consistent with the retirement board's fiduciary responsibility and in accordance with the statutory changes made by Chapter 176 of the Acts of 2011.
- In providing the acknowledgement, PERAC does not pass judgment on the fiduciary propriety of an allocation, investment or investment manager.

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Awarded Service Contracts

- No contract is valid without PERAC acknowledgement.
- Each awarded contract must be executed in writing.
- No payment for service rendered prior to execution of the contract.
- No contract shall exceed a term of seven years, including any renewal, extension or option.
- Exceptions to the seven year term are any limited investment partnership or trust.

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NOTES:

Vendor and Retirement Board Member Certification Forms

- Any person submitting a RFP for a service contract must certify in writing, under the penalties of perjury, that the proposals were submitted in “good faith” and without collusion or fraud.
- Same requirement for each retirement board member to certify that proposals are submitted in “good faith” and without collusion or fraud.
- The retirement board member files annual forms agreeing to abide by the state conflict of interest law and attests that he or she has no relationship with any vendor doing business with any retirement board.

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Penalties for Violations

- Any contract made in violation of M.G.L. c. 32, 23B is not a valid contract.
- Conspiring to cause a contract to be in violation warrants up to a \$2,000 fine for each violation.
- In addition, such violator will be liable for double damages to the retirement board.

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NOTES:



3. REMEMBER YOUR OTHER FIDUCIARY RESPONSIBILITIES

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3. Remember Your Other Fiduciary Responsibilities

- It is important to note that, although this law requires the retirement board to adhere to that specific process in obtaining the enumerated services detailed in Section 23B, under Chapter 32, Section 23(3) board members, as fiduciaries, must meet the standard of a prudent expert in taking all actions related to procurement and contracting. A competitive process which meets that fiduciary duty must be followed in all instances.

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NOTES:



4. PROSPER SCREENS

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PROSPER Screen List

- Start Vendor Procurement
- Business and Contact information
- Forms Checklist
 - Required Documents
- Board Member Signatures
- Submit Procurement
- Procurement Acknowledged
- Procurement Under Review
- Procurement Status

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NOTES:

Start Vendor Procurement

Lexington Retirement Board Massachusetts Public Employees Retirement Administration Commission Hello Lisa H. Log Off

Home Refinements Overview All Compliance

Board Members
John Smith
Kathy Budrough
Andrew Zito
Anna Amescua
Frank Finch

Vendors
All

Compliance Overview

Forms Status: **Start Vendor Procurement** Board Change Form Education: Registrations Education Updates

Board Member Status			
Board Member	Eligibility Certification	268A Term Pledge	Education Credits
Rob Adelson	Submitted 01/15/2018	Due by 04/15/2018	3 Credits Due by 04/15/2018
Kathy Budrough	Submitted 01/15/2018	Due by 04/15/2018	3 Credits Due by 04/15/2018
Andrew Zito	Submitted 01/15/2018	Due by 04/15/2018	3 Credits Due by 04/15/2018
Anna Amescua	Submitted 01/15/2018	Due by 04/15/2018	3 Credits Due by 04/15/2018
Frank Finch	Submitted 01/15/2018	Due by 04/15/2018	3 Credits Due by 04/15/2018

Vendor Status			
Vendor	Vendor Type	Fund	Status
Acadian Asset Management LLC	Investment Vendor	Acadian SuperPlus 17	In Procurement Process
AEW Management LLC	Investment Vendor	A Fund	2018 Annual Disclosure Approved

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Business & Contact Information

BERKSHIRE COUNTY RETIREMENT BOARD Massachusetts Public Employees Retirement Administration Commission Hello Board User1 Sign Out

Home Compliance

Back

Vendor Procurement Package

+ 1 Business Information

- 2 Contact Information

First Name	MI	Last Name	Suffix
Consulting		Guy	

Title
Lead Consultant

Address	City	State	Country	Zip
100 Summer St	Boston	MA	USA	02110

Email	Phone Type	Phone	Fax
cguy@xyz.com	Cell	(617) 334-9998	

Forms	Assigned	Complete	Attachments
Retirement Board Procurement Compliance Certification	Board Chair1	⊖	
Vendor Certification	Board Compliance Admin	⊖	
Vendor Disclosure	Board Compliance Admin	⊖	

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NOTES:

Forms Checklist

BERKSHIRE COUNTY RETIREMENT BOARD Massachusetts Public Employee Retirement Administration Commission Hello Board Admin Sign Out

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Vendor Procurement Package

+ 1. Business Information

+ 2. Contact Information

Forms	Assigned	Complete	Attachments
Retirement Board Procurement Compliance Certification	Board Chairs	✖	
Vendor Certification	Board Compliance Admin	✖	
Vendor Disclosure	Board Compliance Admin	✖	
Vendor Contact Info	Board Compliance Admin	✔	
Placement Agent Statement	Board Compliance Admin	✖	
Retirement Board Evaluation	Board Compliance Admin	✖	
Retirement Board Member Certification		✖	
	Board Users	✖	
	Berkshire Users	✖	
	Berkshire Users Sr	✖	
	Berkshire Users Jr	✖	
	Board Chairs	✖	

Save Submit

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Required Documents

FORMS:	Money Manager	Money Manager Hedge Fund	Custodial Services	Consultant	Securities Litigation	Accounting, Actuarial & Legal Service Provider
New Vendor Contact Information Form	X	X	X	X	X	X
Retirement Board Procurement Compliance Certification	X	X	X	X	X	X
Vendor Certification	X	X	X	X	X	X
New Vendor Disclosures Form (Form & Attachment)	X	X	X	X	X	
Retirement Board Member Certification Form (Each member)	X	X	X	X	X	X
Placement Agent Statement (Attachment Only)	X	X	X	X		
Retirement Board Prohibited Investment Compliance Form	X	X	X			
Exemption from investment restrictions for Hedge Fund of Funds (Attachment Only)		X				
Retirement Board Certification of Consultant Reports (Form & Attachment)						
Retirement Board Evaluation (Attachment Only)	X	X	X	X	X	X

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NOTES:

Board Member Signatures

Forms	Assigned	Complete	Attachments
Retirement Board Procurement Compliance Certification	Board Chairs	-	
Vendor Certification	Board Compliance Admin	-	
Vendor Disclosure	Board Compliance Admin	-	
Vendor Contact Info	Board Compliance Admin	✓	
Placement Agent Statement	Board Compliance Admin	-	
Retirement Board Evaluation	Board Compliance Admin	-	
Retirement Board Member Certification	Board Users	-	
	Berkshire Users	-	
	Berkshire User2, Sr	-	
	Berkshire User2, Jr	-	
	Board Chairs	-	

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Board Member Signatures

Retirement Board Member Certification

In conjunction with the selection of an investment vendor Massachusetts Law (Chapter 39A, Section 27B, 27C) requires each retirement board to complete this form and submit it to the Commission. Upon acknowledgment from PERAC that this and other filings have been received, the board may initiate the service provider.

On behalf of the retirement board noted below, the undersigned certifies that, to the best of his or her knowledge and belief, in making the selection of the vendor identified below, the retirement board has complied with the process set forth in Chapter 39A, Section 27B.

Retirement Board: Berkshire County Retirement Board

Description of Services being proposed: Solid

Business Name of Vendor: Berkshire User2, Sr

Name: First Name * MI Last Name * Suffix

The electronic signature must match the name displayed on this document above.

☐ I acknowledge that I am electronically signing this form.

E-signatures have to be typed in and the acknowledgement box checked prior to submission, this information is not pre-populated.

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NOTES:

Submit Procurement

BERKSHIRE COUNTY RETIREMENT BOARD Massachusetts Public Employee Retirement Administration Commission Hello, Board Admin Sign Out

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Vendor Procurement Package

+ Additional Information

Forms	Assigned	Complete	Attachments
Retirement Board Procurement Compliance Certification	Board Chairs	✓	
Vendor Certification	Board Compliance Admin	✓	1

✓ COMPLETE: This Procurement Package was submitted on 8/30/2016 at 4:10 PM by Berkshire Users

Placement Agent Statement	Board Compliance Admin	✓	1
Retirement Board Prohibited Investment Compliance Form	Board Chairs	✓	
Retirement Board Evaluation	Board Compliance Admin	✓	1
Retirement Board Member Certification		✓	
	Board Users	✓	
	Berkshire Users	✓	
	Berkshire User2, Sr	✓	
	Berkshire User3, Jr	✓	
	Board Chairs	✓	

Save Submit

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Vendor Procurement-Acknowledged

BERKSHIRE COUNTY RETIREMENT BOARD Massachusetts Public Employee Retirement Administration Commission Hello, Board Admin Sign Out

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Dear Board Chairs:

Pursuant to G.L. c. 32 s. 23B(1c) the Public Employee Retirement Administration Commission (PERAC) acknowledges the receipt of the following information with regard to the board's selection of Gold Consultants LLC N/A:

<https://prosp-webois-qa.perac.state.ma.us/BoardPortal/Procurement/Checklist?ChecklistTaskId=6751>

This acknowledgement letter does not authorize the retirement board to enter into an agreement with or to commence funding with this manager without regard to whether or not the manager has declared its intention to comply with all the pertinent and applicable regulations contained in 840 CMR. It may be appropriate for legal counsels for retirement boards to seek and obtain separate legal assurance that the manager intends to be in compliance with 840 CMR. In cases where the manager concludes that it cannot comply with specific regulations, the board should request a supplementary regulation seeking exemption from any such regulations.

Please be advised that the provisions of G.L. c. 32 s. 23 (2) (g) provide certain restrictions and limitations on investment of funds in the securities of companies doing business in or with the Republic of South Africa and/or Northern Ireland. In addition, Chapter 119 of the Acts of 1997 prohibits retirement systems from making any new investments in stocks, securities, or other obligations of any company which derives more than 15% of its revenue from the sale of tobacco products. PERAC has disseminated and will periodically update the "PERAC Tobacco Company List" for compliance. The retirement board must provide each manager a copy of the current list and the subsequent revisions of this list.

Please note that it is not the policy of PERAC to determine the merit of or make a recommendation on a specific allocation, investment or investment manager. It is the responsibility of each retirement board to assure that all investments are made in a prudent and responsible manner consistent with the board's fiduciary responsibility under G.L. c. 32 and in accordance with the statutory changes made by Chapter 176 of the Acts of 2011. In providing this acknowledgement, PERAC does not pass judgment on the fiduciary propriety of an allocation, investment or investment manager.

If you have any questions, please contact this office.

Thank you for your attention to the above matter.

Sincerely,

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NOTES:

Vendor Procurement-Under Review

FRANKLIN REGIONAL RETIREMENT BOARD Massachusetts Public Employee Retirement Administration Commission Hello, Franklin Admin Sign Out

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Vendor Procurement Package

INFO: Dear Franklin Admin,
Your Vendor Procurement Package has been put Under Review. The following questions were asked:
Franklin Regional: need more detail on the retirement board evaluation.

+ 1. Business Information

+ 2. Contact Information

+ Additional Information

Forms	Assigned	Complete	Attachments
Retirement Board Procurement Compliance Certification	Franklin Using, Jr		
Vendor Certification	Board Compliance Admin		1
Vendor Contact Info	Board Compliance Admin		
Retirement Board Evaluation	Board Compliance Admin		1
Retirement Board Member Certification			
	Board Users		
	Franklin Users		

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Vendor Procurement Status

BERKSHIRE COUNTY RETIREMENT BOARD Massachusetts Public Employee Retirement Administration Commission Hello, Board Admins Sign Out

Home Refinements

Compliance Overview All

Board Members

- Board Users
- Berkshire Users
- Berkshire User2, Sr
- Berkshire User3, Jr
- Board Chair1
- Renew Member 4

Board User1	Due by 11/10/2016	Due by 11/10/2016	Yearly Credits Complete
Berkshire A User1	Exempt	Submitted 10/11/2016	3 Credits Due by 03/16/2017
Berkshire User2, Sr	Acknowledged 10/12/2016	Acknowledged 10/12/2016	Yearly Credits Complete
Berkshire B User3, Jr	Due by 11/10/2016	Due by 11/10/2016	3 Credits Due by 03/16/2017
Board Chair1	Due by 11/10/2016	Due by 11/10/2016	3 Credits Due by 03/16/2017
Renew Member 4		Due by 11/12/2016	3 Credits Due by 10/01/2017

Vendor Status

Vendor	Vendor Type	Fund	Status
Vendor Derek's Slush Fund	Money Manager	Derek's Fund	Money Manager In Procurement
Gold Consultants LLC	Consultant	N/A	PERAC Approval was acknowledged.
Gold Realty Co	Money Manager	Gold Realty Co	Checklist In Procurement
Holiday Advisors LLC	Money Manager	Holiday Futures Fund IV	Money Manager In Procurement
Hubert Securities	Money Manager	Small Cap Growth IV	Money Manager In Procurement

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NOTES:

5. FORM SAMPLES

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Vendor Contact Information

- **Existing Relationship**
 - Contact information will pre-populate for any existing relationship prior to the forms checklist being created.
- **New Relationship**
 - The administrator will be prompted to fill out the contact information prior to the forms checklist being created.

New Primary Contact

First Name* Last Name* Suffix* ☐ Check if Address same as Vendor

Title* Contact Type*

Address* City* State* Massachusetts Country* United States of America Zip*

Email* Phone Type* Phone* Fax*

Cancel Save

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NOTES:

Vendor Certification

In all circumstances Massachusetts Law (Chapter 32, Section 23B) requires service providers to complete this form and submit it to the retirement board. The board must file the completed form with PERAC. In the case of investment managers upon acknowledgement from PERAC that this and other filings have been received, the board may retain the service provider.

Retirement Board

Board to which proposal is being submitted: Middlesex County

Service Provider

Business Name:

Abel Noser

Address:

One Battery Park Plaza

City:

New York

State:

NY

Zip:

10004

Services Being Proposed:

I'm not sure what services should be proposed since this is just for testing.2

Individual Submitting Proposal

First Name*

Lisa

Last Name*

Maloney

Suffix

Title*

Board Admin

Vendor Certification Form *

Select Add Attachment for multiple documents. See History Link for complete document list.

Add Attachment

Save

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Retirement Board Evaluation

Board Evaluation

Board Evaluation Form *

Please scan and upload your signed Board Evaluation Form here. Submission cannot be completed unless your Board Evaluation is attached. Select Add Attachment for multiple documents. See History Link for complete document list.

Add Attachment

Save

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NOTES:

Retirement Board Procurement Compliance Certification



Retirement Board Procurement Compliance Certification

In conjunction with the selection of an investment vendor Massachusetts Law (Chapter 32, Section 23, (2), (c)) requires each retirement board to complete this form and submit it to the Commission. Upon acknowledgement from PERAC that this and other filings have been received, the board may retain the service provider.

On behalf of the retirement board noted below, the undersigned certifies that, to the best of his or her knowledge and belief, in making the selection of the vendor identified below, the retirement board has complied with the process set forth in Chapter 32, Section 23B.

Name of Vendor: Abel Noser
Business Name of Vendor: Abel Noser
Retirement Board: Middlesex County
Name of Retirement Board Chairperson: Thomas F Gibson, Esq

By entering my name, checking the Electronic Signature box, and clicking on the buttons, I certify under the penalty of perjury that the information provided herein is true and complete to the best of my knowledge.

First Name* MI Last Name* Suffix

The electronic signature must match the name Thomas F Gibson, Esq.

☐ I acknowledge that I am electronically signing this form*

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Retirement Board Member Certification

Retirement Board Member Certification

Massachusetts Law (Chapter 32, Section 23B) requires each retirement board member to complete this form and submit it to the Commission prior to retaining any service provider for the retirement board. In the case of investment managers upon acknowledgement from PERAC that this and other filings have been received, the board may retain the service provider.

With respect to this procurement, each retirement board member shall certify in writing as follows:

The undersigned certifies that, to the best of his/her knowledge and belief, this proposal has been made and submitted in good faith and without collusion or fraud with any person. As used in this certification, the word "person" shall mean a natural person, business, partnership, corporation, union, committee, club or other organization, entity or group of individuals.

Retirement Board: Middlesex County

Description of Services being proposed: asdfasf

Business Name of Vendor: State Street Bank & Trust

Name: John Brown

By entering my name, checking the Electronic Signature box, and clicking on the buttons, I certify under the penalty of perjury that the information provided herein is true and complete to the best of my knowledge.

First Name* MI Last Name* Suffix

The electronic signature must match the name John Brown.

☐ I acknowledge that I am electronically signing this form*

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NOTES:

Conclusion

- Progress since Chapter 176 of the Acts of 2011 enacted:
 - The establishment of an explicit open and competitive procurement process to be followed by boards when soliciting investment, actuarial, legal or accounting services.
 - **373** Procurements Acknowledged by PERAC in 2019.

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Questions?



- **Contact:**
 - Derek M. Moitoso
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Public Employee Retirement Administration Commission
5 Middlesex Ave., Suite 304
Somerville, MA 02145
Phone: (617) 666-4446, ext. 909
Fax: (617) 628-4414
E-mail: dmmoitoso@per.state.ma.us

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NOTES:

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

[illegible]

COMMONWEALTH OF MASSACHUSETTS

Public Employee Retirement Administration Commission

Five Middlesex Avenue, Suite 304 | Somerville, MA 02145

Phone: 617-666-4446 | Fax: 617-628-4002

TTY: 617-591-8917 | Web: www.mass.gov/perac

