

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: All Retirement Boards

FROM: John W. Parsons, Esq., Executive Director

RE: Investment Consultant RFPs

DATE: January 13, 2020

This Memorandum is directed to those retirement boards responsible for managing their own assets and has less applicability to Boards who have transferred all system assets to the PRIT Fund.

Over the course of the last several years, PERAC has assisted a number of retirement boards in preparing for and implementing a competitive process for the selection of an investment consultant. As you know, this is the one search in the investment management area that must be conducted entirely by the retirement board itself without the assistance of a consultant. In an effort to provide guidance to boards and after a review of a number of investment consultant RFP examples we have prepared the following materials that relate to the conduct of a search for a consultant.

We would like to stress that this is a guide. Boards are not required to use these documents in undertaking such a search. Rather boards may use all, some or none of these items and may alter them as well, however, it is important that boards understand the procurement concepts on which this drafting took place. It is vital that whatever the particulars of the documents used in these searches, the process be open, competitive and fair.

In addition, boards are reminded that best practices require that the RFP be scored prior to the opening and scoring of the Fee Proposals in order to prevent the fee submission from influencing the RFP assessment. Based upon the analysis of the RFP and the Fee Proposals by each board member, finalists will be selected for interviews. Interviews are then held. The scores for the RFP, Fee Proposal and Interview are then transcribed by



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each board member on the Selection Evaluation Scoresheet. From that information each board member determines a Composite Rating for each Finalist.

The following attachments are provided as guidance through this RFP Process:

#1 Investment Consultant Questionnaire – This questionnaire will be available on PERAC's website and should be completed by the Vendor as a requirement in the RFP Proposal.

#2 Selection Evaluation Scoresheet – To be used by Boards Only. Will not be available on PERAC's Website. Please contact PERAC for scoresheet.

Although retirement boards are welcome to use these items in their entirety, as noted, it is not necessary to do so and boards are free to decide how best to use this material.

If you have any questions or comments please contact Compliance Director Tom O'Donnell at 617-666-4446 extension 922.

Attachments

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