



PERAC HITS THE ROAD

2026 BOARD ADMINISTRATOR TRAINING

# Procurements



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## 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.
- Established an open and competitive procurement process to be followed by boards when soliciting investment, actuarial, legal, or accounting services
- A competitive process which meets that fiduciary duty must be followed in all instances.



# Content of Notice of RFP Posting

- Type of service must be on the notice
- Minimum two week posting
- In or near the offices of the retirement board, newspaper of general circulation within the area served by the retirement board and in a publication of interest to those engaged in providing such services.
- PERAC posts these notices on our website



# Request for Proposal ("RFP") Requirements

- Notice must contain the terms and deadline for RFP bid period
- Evaluation criteria for the basis of the contract award
- All contractual terms and conditions
- Request separate, sealed price and non-price proposals



# Opening of Bids

- 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.
- A register of all proposals received must be documented.
- The place, time and date proposals are opened must be documented.
- Written notice of any submitted modifications or revisions to filed bids.
- A written affidavit should be used to document the requirements for the opening of bids.



# Retirement Board Initial Evaluation (1)

- Each proposal to be rated in written format based solely on the criteria established in RFP.
- Ratings should be based on some rating criteria using the standards:
  - Highly Advantageous, Advantageous, Not Advantageous or Not Acceptable
  - If evaluation is done by consultant, each submission of review with each Retirement Board member should take place and be documented



# Retirement Board Initial Evaluation (2)

- No sub-committees
- Evaluation must be completed prior to interviewing process
- The Board will determine the most advantageous proposal taking into consideration price and the evaluation criteria set forth in the RFP.



# 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 discuss price, track record, & specific concerns.



# 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.
- 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.



# Mandatory Terms and Conditions

- 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.



# Vendor and Retirement Board Member Certification Forms

- Any person submitting an 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.



# PERAC's Acknowledgment

- Upon determination of the Most Advantageous Proposal, the retirement board must submit all RFP required documents to PERAC for review.
- PERAC acknowledges the receipt of the RFP documents and then has 10 days to review and either issue an acknowledgement or put the procurement "under review"
- In providing the acknowledgement, PERAC does not pass judgement on the quality of the vendor. Our focus is on the procurement process and its compliance with Section 23B.



# 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.



# Miscellaneous Items

- Annual Investment Manager Meetings
- Annual Vendor Disclosure
- Constant Contact with Vendors and Boards
- Check Prosper for Accuracy
- Audit Item



# Contact Information

- My email: [John.P.Galvin@mass.gov](mailto:John.P.Galvin@mass.gov)
- Feel free to reach out with compliance questions, procurement, education, or general questions — happy to help!

