



State of New Jersey

DEPARTMENT OF THE TREASURY
DIVISION OF INVESTMENT
P.O. BOX 290
TRENTON, NJ 08625-0290

CHRIS CHRISTIE
Governor
KIM GUADAGNO
Lt. Governor

FORD M. SCUDDER
Acting State Treasurer

TO: Prospective Bidders

DATE: November 12, 2015

SUBJECT: Request for Quotes
Investment Benchmarking Services

Purpose:

The Division of Investment (DOI) seeks quotes from qualified service providers to supply investment benchmarking services.

Background:

DOI was created by P.L. 1950, c. 270, which became effective on July 1, 1950. An important objective of the law was to centralize all functions relating to purchases, sales, or exchanges of securities for the State's diverse funds under experienced and professional management. The same law created the State Investment Council, a sixteen member body whose role is to establish the methods, practices and procedures it deems necessary or proper, which govern the investment activities of DOI.

Implementation of investment policies is vested in the Director of DOI. The Director is subject to the standards of prudent investment set forth in N.J.S.A. 52:18A-89. DOI invests the assets of seven different State Pension Plans, which totaled approximately \$79 billion as of June 30, 2015. DOI manages the assets of these funds through the use of Common Funds.

In addition to the pension funds, DOI also manages other State funds, which include the State of New Jersey Cash Management Fund, a portion of NJBEST, a portion of the New Jersey Deferred Compensation Plan, and other funds.

Investment in the equity and fixed income markets is done through internally managed portfolios both with and without the use of contracted advisers. Subaccounts segregate the various investment portfolios. State Street, as DOI's current global custodian, maintains and holds custody of assets in a separate subaccount for each portfolio for which DOI utilizes an adviser.

Service Requirements:

DOI seeks to procure Investment Benchmarking services that includes review and analysis of fees paid to external parties, including its consultants, auditors, custodians, investment fund managers, systems providers, as well as other internal costs.

Service must have the ability to create a customized peer group.

Service must include a multi-year review of DOI's investment performance against its peers.

Service must include a multi-year risk assessment of DOI relative to its peers.

Service must include periodic research related best practices and trends of institutional investors.

Service must include a review of DOI's asset allocation, including a review against DOI's peers, and the value add of the allocation.

Service must include cost analysis at the total fund level and asset class level.

Service must have the ability to compare these costs against DOI's peers.

Qualified services providers should have:

- Minimum of 2 years of experience providing such services
- Minimum of 10 years of data in all categories listed above
- Minimum of 3 pension fund clients
- Minimum of 20 public funds over \$10 billion in database

Quote Submission Requirements:

- 1) Questions regarding this Request for Quotes must be received by **Wednesday, November 18, 2015 at 2:00 pm Eastern** and submitted electronically to DOI@treas.nj.gov with "Investment Benchmarking Services RFQ" in the subject line.
- 2) Quotes must be received by **Wednesday, November 25, 2015 by 2:00 PM Eastern** and submitted electronically to DOI@treas.nj.gov "Investment Benchmarking Services RFQ" in the subject line. Proposals may also be mailed to:

Via Courier

Gina Costello
Division of Investment
50 West State Street, 9th Floor
Trenton, NJ 08608

Via USPS

Gina Costello
Division of Investment
PO Box 290
Trenton, NJ 08695-0290

- 3) Provide a description of the service and how it will meet the requirements of this Request.

- 4) Provide a listing of two large clients, as well as, two large public fund clients.
- 5) Provide examples of screenshots or reports; redacted or generic samples are acceptable.
- 6) Provide key staff biographies.
- 7) With your quote, please include completed, required forms. The required forms, which can be found at this link: <http://www.state.nj.us/treasury/purchase/forms.shtml>, include:
 - Ownership Disclosure
 - Disclosure of Investigations and Other Actions Involving Bidder
 - Disclosure of Investment Activities in Iran (P.L. 2012)
 - Source Disclosure Certification (EO 129)
 - MacBride Principles Certification (P.L. 1995)
 - Vendor Certification and Political Contribution Disclosure (P.L. 2005, Chapter 271)
 - Two Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions (P.L. 2005)
 - Copy of Affirmative Action Certificate OR complete form and send in with payment
 - State of NJ – Delegated Purchasing Authority Terms & Conditions
 - Set-Off for State Tax Notice

Additional forms include:

- A current Business Registration Certificate. If the firm does not have one, visit: <http://www.state.nj.us/treasury/revenue/>
- State W-9 form, attached.
- Organ and Tissue Donation: As defined in section 2 of P.L. 2012, c. 4 (N.J.S.A.52:32-33).