

## **REQUEST FOR PROPOSALS**

# **Private Equity and Real Assets Investment Consulting Services**

**RFP Issue Date: September 20, 2021**

**Questions Due: October 4, 2021  
by 3:00 pm  
Eastern Time**

**Proposals Due: November 8, 2021  
by 3:00 pm  
Eastern Time**

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**<https://www.state.nj.us/treasury/doinvest/>**

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## **1.0 INFORMATION FOR BIDDERS**

### **1.1 PURPOSE AND INTENT**

The State of New Jersey Department of the Treasury, Division of Investment (“DOI”) is seeking investment consultants (“Investment Consultants”) for its Private Equity and Real Assets portfolios. (Note: The Real Assets portfolio excludes private Real Estate and publicly listed REIT investments) The firms shall possess the experience, skills, expertise, and resources necessary to assist and advise DOI in making prudent investment decisions, implementing such decisions, and evaluating current and proposed investment strategies, structure, and design, and providing performance measurement, strategic planning, capital deployment pacing analysis, and other services.

In order to ensure that the Director of DOI (the “Director”) continues to meet his fiduciary responsibilities pursuant to N.J.S.A. 52:18A-89, the Director shall have the power to select and monitor Investment Consultants, and terminate, subject to the contractual terms of the engagement, any Investment Consultant that does not meet the standards and requirements set forth in the Contract, including this RFP, and in any other applicable policies of the State Investment Council (the “SIC”).

It is DOI’s intention to award up to five contracts to Investment Consultants based on unique expertise within the Private Equity and Real Assets asset classes. At least one contract will be awarded for Private Equity Investment Consulting services and at least one contract will be awarded for Real Assets Investment Consulting services.

The State of New Jersey Standard Terms and Conditions (Rev. 04/27/2021) (“Standard Terms & Conditions”), as modified in Section 6.16, are incorporated herein by reference , are in addition to the terms and conditions set forth in this RFP and should be read in conjunction with them. The Standard Terms & Conditions are available online at:

<https://www.state.nj.us/treasury/purchase/forms/StandardTermsandConditions.pdf>

### **1.2 SEARCH OBJECTIVES**

DOI seeks proposals from bidders that can provide investment advice to DOI with respect to its Private Equity and Real Assets portfolios and any other similar investments authorized by applicable New Jersey State Investment Council Regulations (N.J.A.C. 17:16). Bidders can provide proposals for both Private Equity and Real Assets, or Private Equity only, or Real Assets only.

For Fiscal Year 2021, DOI’s target allocation to the Private Equity asset class is 13% of total pension fund assets and its target allocation to the Real Assets asset class is 3% of total pension fund assets.

DOI's Private Equity portfolio currently consists of approximately 110 direct investments and 18 Fund of Funds relationships. It is included in the overall Pension Fund's Growth allocation. DOI's Real Assets portfolio consists of 15 direct investments and is included in the overall Pension Fund's Real Return allocation. A listing of the investments in each portfolio maybe found online in the Monthly Director's Report at:

<https://www.state.nj.us/treasury/doinvest/directorsreports.shtml>

### **1.3 BACKGROUND**

DOI and the Council were 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 Council is comprised of sixteen (16) members pursuant to N.J.S.A. 52:18A-83. Nine members are appointed by the Governor for five year terms, and are drawn traditionally from the professional investment community. Of those nine appointments, eight are made with the advice and consent of the State Senate. One appointment is made from nominees submitted jointly by the President of the Senate and Speaker of the Assembly. The statute requires that at least seven of the nine gubernatorial appointments shall be qualified by training and experience in the direct management, analysis, supervision or investment of assets, which training and experience shall have been acquired through academic training or through actual employment in those fields. Four members are appointed by the Governor from nominees submitted by various employee organizations. Two of the four members are appointed for five year terms from nominees submitted by the New Jersey State AFL-CIO. One of the four members is appointed for a three year term from nominees submitted by the New Jersey Education Association. The fourth member is appointed by the Governor for a three year term from nominees submitted by the State Troopers Fraternal Association. The statute requires that these four appointees shall be qualified by training, experience or long-term interest in the direct management, analysis, supervision or investment of assets and this training, experience or long-term interest shall have been supplemented by academic training in the fields of economics, business, law, finance or actuarial science or by actual employment in those fields. Two members, representing the Public Employees' Retirement System (PERS) and the Teachers' Pension and Annuity Fund (TPAF), are designated from members of the respective pension system's board of trustees and serve three-year terms. One member is designated by the Chief Justice of the New Jersey Supreme Court from members of the Retired Judges Association of New Jersey and serves a three-year term.

No member of the Council shall hold any office, position, or employment in any political party, nor shall any member benefit directly or indirectly from any transaction made by DOI. Members of the Council serve without compensation.

The role of the Council is to establish the methods, practices, and procedures it deems necessary or proper to govern the investment activities of DOI. New regulations adopted by

the Council from time to time are filed with the Office of Administrative Law and published in the New Jersey Register for public comment prior to adoption.

Implementation of investment policies is vested in the Director of DOI. The Director of DOI is subject to the standards of prudent investment set forth in N.J.S.A. 52:18A-89. As part of his/her fiduciary role, the Director of DOI retains the power and right to select, monitor, and terminate consultants when doing so is in the best interest of the State.

DOI invests the assets of seven different State pension plans, which totaled approximately \$92.67 billion as of May 31, 2021 (unaudited). DOI manages the assets of these funds through the use of common funds.

The investments in the common funds are governed by Council regulations codified by N.J.A.C. 17:16-1.1 et seq.

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.

Any consultant retained by DOI must comply with various laws, regulations, policies and procedures of the State. By submitting a proposal in response to this RFP, the bidder is pledging to comply with all applicable laws, regulations, policies and procedures.

#### **1.4 MINIMUM QUALIFICATIONS; SCREENING CRITERIA**

##### **1.4.1 PRIMARY CONSULTANT PRIVATE EQUITY AND/OR REAL ASSETS**

- a) The firm's principals must have experience in providing private equity and/or real assets consulting services to institutional clients, which shall include at least two (2) fund clients with private equity and/or real assets portfolios of at least \$500 million in commitments.
- b) The firm's principals must have experience in providing private equity and/or real assets consulting services for at least three (3) years.
- c) The primary individual assigned to DOI's account must have a minimum of three (3) years experience, either at the current or a prior firm, in a senior advisory role preparing or overseeing private equity and/or real assets investment policies, allocation strategies and guidelines, and evaluating and recommending domestic and international investments for public and/or private pension plans.
- d) The firm must maintain or have access to a database of domestic and international private equity and/or real assets funds and/or managers.

#### **1.4.2 SECONDARY CONSULTANT PRIVATE EQUITY AND/OR REAL ASSETS**

- a) The primary individual assigned to DOI's account must have a minimum of three (3) years experience, either at the current or a prior firm, in a senior advisory role preparing or overseeing private equity and/or real assets investment policies, allocation strategies and guidelines, and evaluating and recommending domestic and international investments for public and/or private pension plans.
- b) The firm must maintain or have access to a database of domestic and international private equity and/or real assets funds and/or managers.

#### **1.5 KEY EVENTS**

##### **1.5.1 ELECTRONIC QUESTION AND ANSWER PERIOD**

DOI will electronically accept questions and inquiries from all potential bidders via email at [DOI@treas.nj.gov](mailto:DOI@treas.nj.gov)

- The RFP should be clearly referenced in the subject line
- Questions should be directly tied to the RFP and asked in consecutive order, from beginning to end, following the organization of the RFP
- Each question should begin by referencing the RFP page number and section number to which it relates
- Questions regarding the Standard Terms & Conditions and exceptions to mandatory requirements should contain requested changes.

Bidders must not contact DOI staff directly, in person, by telephone or by e-mail, other than through the e-mail above, concerning this RFP.

The cut-off date for electronic questions and inquiries relating to this RFP is indicated on the cover sheet. Addenda to this RFP, if any, will be posted on the DOI website, <http://www.state.nj.us/treasury/doinvest/rfp.shtml>, after the cut-off date. (See RFP Section 1.6 for further information)

##### **1.5.2 DEADLINE AND LOCATION FOR SUBMISSION OF PROPOSAL**

In order to be considered for award, the proposal must be received by DOI on or before the due date and time as indicated on the cover sheet.

**ANY PROPOSAL NOT RECEIVED BY THE DATE AND TIME INDICATED ON THE COVER SHEET WILL BE REJECTED.**

If a bidder requests, prior to the deadline, that the Director postpone the deadline due to a documentable cause of delay that is beyond the control of the bidder, or if the Director otherwise determines that postponement is in the State's best interest, the Director shall designate a



revised deadline. The Director shall post notice of any postponement of the deadline on the DOI website, <http://www.state.nj.us/treasury/doinvest>.

Bidders using U.S. Postal Service regular or express mail services should allow additional time since the U.S. Postal Service does not deliver directly to DOI.

Bidders are required to provide proposals to the addresses and in the specific delivery format as described in Section 4.2.

## **1.6 ADDITIONAL INFORMATION**

### **1.6.1 ADDENDA: REVISIONS TO THIS RFP**

If it becomes necessary to clarify or revise this RFP, such clarification or revision will be by addendum. Any addendum to this RFP will become part of this RFP and part of any contract awarded as a result of this RFP.

ALL ADDENDA WILL BE ISSUED ON DOI'S WEB SITE:  
<http://www.state.nj.us/treasury/doinvest/rfp.shtml>

There are no designated dates for release of addenda. Therefore, interested bidders should check DOI's website on a daily basis from the time of RFP issuance through the proposal submission deadline.

It is the sole responsibility of the bidder to be knowledgeable of all addenda related to this procurement.

### **1.6.2 BIDDER RESPONSIBILITY**

The bidder assumes sole responsibility for the complete effort required in submitting a proposal in response to this RFP. It is the sole responsibility of the bidder to be knowledgeable as to all of the requirements of this RFP and any Addenda. No special consideration will be given after proposals are opened because of a bidder's failure to be knowledgeable as to such requirements.

### **1.6.3 COST LIABILITY**

The State assumes no responsibility and bears no liability for costs incurred by a bidder in the preparation and submittal of a proposal in response to this RFP.

#### **1.6.4 PUBLIC DISCLOSURE OF PROPOSAL**

The bidder's proposal and all information submitted by bidders in response to this RFP may be released to the public under the New Jersey Open Public Records Act, N.J.S.A. 47:1A-1 et seq., ("OPRA") or the common law right to know, notwithstanding any disclaimers to the contrary submitted by a bidder, except as may be exempted from public disclosure by OPRA and the common law.

A bidder may designate specific information as not subject to disclosure pursuant to the exceptions to OPRA (see N.J.S.A. 47:1A-1.1) or the common law, when the bidder has a good faith legal and/or factual basis for such assertion. The location in the proposal of any such designation should be clearly stated in a cover letter. The State reserves the right to make the determination as to what is exempt from disclosure, and will advise the bidder accordingly. **The State will not honor any attempt by a bidder to designate its entire proposal or the prices offered as exempt from disclosure.** In the event of any challenge to the bidder's assertion of confidentiality with which the State does not concur, the bidder may elect to defend its assertion in a timely manner at its own expense.

All received proposals will remain unopened until the deadline for proposal submission. After the deadline, only the names and addresses of the bidders submitting proposals may be made public. The contents of the proposals shall not be available for public inspection until the Notice of Intent to Award is issued by the Director.

After the Notice of Intent to Award is issued, each proposal and, if applicable, documentation relating to any negotiations, will be available for public inspection in accordance with governing law.

#### **1.6.5 PRICE ALTERATION IN HARD COPY PROPOSALS**

Proposal prices must be typed or written in ink. Any price change (including "white-outs") must be initialed. Any price alteration that has not been initialed shall be disregarded, unless a duplicate copy within the bidder's proposal packet contains the same alteration. Examples of alterations include, but are not limited to, cross-outs, erasures, white-outs, write-overs, and strikeovers, with re-entered prices. If the alteration has not been initialed, that particular item only shall be rejected, except if the extended price is verifiably correct and does not contain an alteration or if the extended total price is verifiably correct and does not contain an alteration, it shall be considered the offered price. In the event of a rejection of a single line of a proposal responding to a request for multiple prices for multiple items, the remainder of the proposal shall be evaluated.

#### **1.6.6 WITHDRAWING PROPOSAL**

A bidder discovering an error in its bid proposal prior to the proposal submission deadline may request, in writing, that its submitted proposal be withdrawn. If the request is granted, the bidder may submit a revised bid proposal provided it is received prior to the proposal submission deadline.

A bidder discovering an error in its bid proposal after the proposal submission deadline but before the contract award may make written application to the Director for authorization to withdraw its bid proposal. The Director shall consider the bidder's good faith in making the request, as evidenced by: whether the mistake relates to a material feature or term of the proposal; whether the mistake occurred notwithstanding the bidder's exercise of reasonable care; and whether the error is so significant that to enforce the contract resulting from the proposal would be unconscionable. The Director shall also consider whether DOI would be significantly prejudiced by granting the request.

#### **1.6.7 JOINT VENTURE**

If a joint venture is submitting a proposal, the agreement between the parties relating to such joint venture should be submitted with the joint venture's proposal. Authorized signatories from each party comprising the joint venture must sign the proposal. A separate Ownership Disclosure Form, Disclosure of Investigations and Other Actions Involving Bidder Form, Disclosure of Investment Activities in Iran, Vendor Certification and Political Contribution Disclosure Form, Chapter 51 / Executive Order 117 Vendor Certification and Disclosure of Political Contributions Form, and Affirmative Action Employee Information Report must be supplied for each party to a joint venture. Each party comprising the joint venture must also possess a valid Business Registration Certificate ("BRC") issued by the State of New Jersey Department of Treasury, Division of Revenue prior to the award of a contract. Refer to [Section 8.1.4](#) of this RFP.

## 2.0 DEFINITIONS

### 2.1 GENERAL DEFINITIONS

The following definitions will be part of any contract awarded or order placed as result of this RFP.

**Addendum** – A written clarification or revision to this RFP issued by the Division of Investment

**All-Inclusive Hourly Rate** – A rate comprised of all direct and indirect costs including, but not limited to: overhead, fee or profit, clerical support, travel expenses, safety equipment, materials, supplies, managerial support and all documents, forms, and reproductions thereof. This rate also includes portal-to-portal expenses as well as per diem expenses such as food.

**Amendment** – A change in the scope of work to be performed by the contractor. An amendment is not effective until it is signed by the Director.

**Bidder** – An individual or business entity submitting a proposal in response to this RFP.

**Contract** – This RFP, any addenda to this RFP, the Standard Terms & Conditions, the bidder's proposal submitted in response to this RFP, and the bidder's Best and Final Offer.

**Contractor** – The Bidder awarded a contract resulting from this RFP.

**DOI Contract Manager** – The DOI employee responsible for the approval of all deliverables, i.e., tasks, sub-tasks or other work elements in the Scope of Work, as set forth in Sections 3.0 and 9.1.  
**Firm, Fixed Price** – A price that is all-inclusive of direct cost and indirect costs, including, but not limited to, direct labor costs, overhead, fee or profit, clerical support, equipment, materials, supplies, managerial (administrative) support, all documents, reports, forms, travel, reproduction and any other costs. No additional fees or costs shall be paid by the State unless there is a change in the scope of work.

**Joint Venture** – A business undertaking by two or more entities to share risk and responsibility for a specific project.

**May** – Denotes that which is permissible, not mandatory.

**OPRA** - New Jersey Open Public Records Act, N.J.S.A. 47:1A-1 et seq.

**Project** – The undertaking or services that are the subject of this RFP.

**Request for Proposals (RFP)** – This document which establishes the bidding and contract requirements and solicits proposals to meet the needs of DOI as identified herein.

**Selection Committee** – A committee established by the Director to review and evaluate proposals submitted in response to this RFP and to recommend a contract award to the Director.

**Shall or Must** – Denotes that which is a mandatory requirement. Failure to meet a mandatory requirement will result in the rejection of a proposal as materially non-responsive.

**Should** – Denotes that which is recommended, not mandatory.

**Standard Terms & Conditions** – State of New Jersey Standard Terms and Conditions (R04/27/2021 which are available online at:

<https://www.state.nj.us/treasury/purchase/forms/StandardTermsandConditions.pdf>

All references in the Standard Terms & Conditions to the Director of the Division of Purchase and Property shall for this RFP be references to the Director of DOI. All references in the Standard Terms & Conditions to the Division of Purchase and Property shall for this RFP be references to DOI.

**State** – State of New Jersey.

**Subtasks** – Detailed activities that comprise the actual performance of a task.

**Subcontractor** – An entity having an arrangement with a State Contractor, whereby the State Contractor uses the products and/or services of that entity to fulfill some of its obligations under its State contract, while the State Contractor retains full responsibility for the performance of all of its obligations under the contract, including payment to the subcontractor. The subcontractor has no legal relationship with the State, only with the State Contractor.

**Task** – A discrete unit of work to be performed.

## **2.2 CONTRACT-SPECIFIC DEFINITIONS**

**Common Pension Fund** – A common trust fund used to pool the assets of the individual Pension Plans for the purpose of investment.

**Council (SIC)** – State Investment Council

**Director** – The Director of the Division

**Division (DOI)** – The State of New Jersey Department of the Treasury, Division of Investment

**Environmental, Social and Governance (ESG)** – Investment considerations that may include, but are not limited to: greenhouse gas emissions; fossil fuel dependence; climate

change; water issues; clean and renewable energy; workforce diversity; fair trade; human rights; working conditions; reporting transparency; executive compensation; equitability of compensation; board accountability and composition; director independence; shareholder rights; auditor independence, voting practices; and accounting practices and policies.

**Investment Consultant** – A consultant to be engaged pursuant to this RFP to assist and advise DOI in making prudent investment decisions, implementing such decisions, and evaluating current and proposed investment strategies, structure, design and/or performance with respect to DOI's Private Equity and/or Real Assets portfolio. The term shall include both a primary consultant, and a secondary consultant.

**Investment Policy Committee (IPC)** – A subcommittee of the Council designated by regulation to review due diligence information for each private equity and/or real assets investment recommended by DOI and to report to the Council regarding each proposed investment.

**MWBE** – Minority and women-owned business enterprises.

**Pension Plans** – The individual retirement systems: Public Employees' Retirement System (PERS), Teachers' Pension & Annuity Fund (TPAF), Police and Firemen's Retirement System (PFRS), State Police Retirement System (SPRS), Judicial Retirement System (JRS), Consolidated Police and Firemen's Pension Fund (CPFPPF), and Prison Officers' Pension Fund (POPF).

**Private Equity** - Investments in companies or entire business units in order to either restructure the target company's reserve capital, management and/or organizational structure or facilitate ongoing growth of the firm. Private equity investments generally receive a return through an initial public offering, sale, or merger of the company they control, or a recapitalization. Private equity may consist of buyout, growth equity, distressed debt, special situations, mezzanine debt, venture capital, or other similar private investments with equity or equity-like risk.

**Real Assets** – Investments in private assets or companies across infrastructure, conventional and renewable energy, sustainability, metals & mining, agriculture/farmland, and timber. Investments can be tangible or have characteristics of real assets such as royalties and insurance settlements. Excludes private real estate and REITs.

### **3.0 SCOPE OF WORK**

The Contractor(s) will work closely with the Investment Policy Committee (IPC) of the SIC, the Director and Deputy Director of DOI, and other DOI staff. The Contractor(s) shall serve in a fiduciary capacity and shall acknowledge in writing its fiduciary status, without qualification. In all cases, the Contractor(s) and its employees will offer advice to DOI solely in the interest of the DOI and the plan participants.

#### **3.1 PRIMARY CONSULTANT PRIVATE EQUITY AND/OR REAL ASSETS**

The Primary Consultant shall perform, but not be limited to, the following duties based upon a Firm, Fixed Price:

##### **3.1.1 POLICY DUTIES**

- A. Draft and/or review, upon award and annually thereafter; or upon request, DOI's private equity and/or real assets investment policies, procedures, objectives, and guidelines, and make recommendations.
- B. Evaluate the investment makeup of the private equity portfolio and/or the real assets portfolio, on a quarterly basis, to determine and ensure conformance with policies, procedures, objectives, and guidelines.

##### **3.1.2 ASSET ALLOCATION AND PORTFOLIO CONSTRUCTION DUTIES**

- A. Conduct a review of the structure of the private equity portfolio and/or the real assets portfolio at least every year and provide a detailed, written report of results and recommendations.
- B. At least annually, or more frequently if needed at the request of DOI, provide a pacing analysis for budgeting annual capital deployment for the private equity portfolio and/or Real Assets portfolio.
- C. Conduct an annual asset allocation review of the private equity portfolio and/or the real assets portfolio and provide a detailed, written report of results and recommendations. The recommendations shall take into account the projections of future cash flows and other economic factors.

The report shall estimate the absolute and relative rates of return of the investments, interpret rates of return and volatility of the investments, and make recommendations for reallocation of assets when necessary.

- D. When appropriate or at the request of Division Staff, analyze and recommend the sale, dissolution, or replacement of investments.
- E. At least annually, conduct a review of portfolio risk and provide a detailed, written report of results and recommendations.

- F. Present oral and/or written results of any of the above to the IPC and Council upon request.
- G. Coordinate as needed with DOI's general investment consultant, risk aggregator, custodian, or other of DOI's internal or external service providers, as relevant.
- H. Upon request, assist DOI staff in segregating assets of Common Pension Funds.

### **3.1.3 SOURCING, DUE DILIGENCE, AND NEGOTIATION**

#### **3.1.3.1 SOURCING**

- A. Assist in developing a search strategy procedure to identify high quality private equity and/or real assets investments. The strategy shall include, but shall not be limited to:
  - a. Developing search, screening, and selection criteria;
  - b. Reviewing qualifications;
  - c. Conducting due diligence on potential candidates;
  - d. Preparing background materials for all IPC and Council meetings; and
  - e. Providing a framework, analyses and information to evaluate the reasonableness of fees being charged by private equity and/or Real Assets investment managers.
- B. Provide access to a database containing information on private equity managers and/or real assets managers and/or funds, which includes information regarding their philosophy, management personnel, audited performance results, investors, and fees, for both domestic and international managers/funds and across all different types of private equity and/or real assets investments.
- C. At least quarterly, provide a list of new private equity fund managers and/or real assets managers and/or funds coming to the market, and established funds with additional investment capacity.
- D. Maintain a pipeline of potential private equity and/or real assets investments of interests along with a calendar of relevant dates, to include key items such as fund closing dates, legal comment deadlines, data room openings, etc.
- E. Specifically maintain a pipeline of MWBE private equity and/or real assets investment managers, along with relevant information such as fund size, fundraising timelines, investment mandate, etc.
- F. Keep DOI apprised of innovative and novel private equity and/or real assets investment opportunities, which conform to DOI objectives.



**3.1.3.2 DUE DILIGENCE**

- A. Conduct due diligence on funds sourced by DOI and by the Contractor, including reviewing the qualifications of each fund's general partner, interviewing potential candidates, conducting reference checks, and conducting background checks when appropriate.
- B. Prepare, jointly with DOI staff and/or independently, investment due diligence and operational due diligence reports and recommendations on prospective investments for submission to the IPC and Council. Provide DOI, the IPC, and the Council with such other relevant, reliable, and timely research and information as requested.
- C. At the request of DOI and on a per investment basis, review individual private equity and/or Real Assets (other than real estate) investments (i.e., co-investments). This shall be reviewed in the same manner as private equity investments stated above, including due diligence research and reports.
- D. Assist DOI staff in the evaluation of secondary transactions, both purchases and sales, and the evaluation of co-investment opportunities.

**3.1.3.3 NEGOTIATION**

- A. When appropriate, negotiate business terms and appropriate structural incentives for prospective investments.
- B. Provide fee negotiation services for prospective investments as requested.

**3.1.4 PORTFOLIO MONITORING AND REPORTING**

- A. Provide ongoing analysis and monitoring of fund managers. Provide written reports upon request.
- B. Provide a quarterly portfolio monitoring report covering (i) broad private equity and/or Real Assets market reviews/updates, (ii) the overall private equity portfolio and/or Real Assets portfolio, and (iii) each individual investment within the private equity portfolio and/or Real Assets portfolio. The report should include, but not be limited to, performance analysis vs. the benchmark and exposures vs. the benchmark.
- C. At fiscal year-end (June 30), provide a fiscal-year-end performance review of the private equity portfolio and/or Real Assets portfolio providing (i) a comparison of performance vs. benchmark for the fiscal year period and trailing fiscal year periods, (ii) drivers of portfolio performance for the fiscal year period, and (iii) drivers of performance differential between the portfolio and benchmark.
- D. Provide access to an online web portal summarizing DOI's existing private equity and/or real assets investments to include basic fund profile information, performance, exposures, key terms, etc. Information should be available at both the

fund manager and portfolio levels.

- E. Notify DOI in writing of any underperformance, noncompliance, significant changes, or adverse events, and provide analysis and advice on such issues as soon as discovered.
- F. At least annually or upon request, refresh the ODD, including **organizational** stability, operations, and performance audits of each fund manager, and including onsite visits. The consultant shall deliver reports annually that summarizes the outcome of such audits that highlights the fund manager's compliance with best practice standards. The operations report, whether annual or upon request, should include the findings from reviews of:
- quarterly reports and audited financial statements
  - management fees, expenses and carried interest accruals and payment
  - regulatory filings (example: Form ADV review to check for fines and violations)
  - litigation and media monitoring
  - key person participation and staff turnover
  - internal controls
  - anti-money laundering and know your customer policies and practices
  - cyber security infrastructure
  - changes in auditors and administrators or other service providers
- G. Provide advice, as needed, in connection with such concerns as probation and termination procedures.
- H. Provide advice in connection with LPA amendments and/or LPAC consents
- I. As needed, or upon request, provide recommendations concerning fund manager allocation and structure, fund manager guidelines, and benchmark identification. Provide written reports upon request.
- J. Review all cash flows and provide both a quarterly and fiscal year break down, including, but not limited to, all expenses, management fees and carried interest.
- K. Provide fund level summary performance data based on cash flows received from DOI's custodian and on statements received quarterly from fund managers.
- L. Work with DOI's custodian and risk aggregator to reconcile cash flows, performance, exposure, CRM data, and other similar data.
- M. Assist in data collection related to the Division's annual audit.
- N. Integrate ESG scoring, D&I, and MWBE tracking into the regular monitoring process.
- O. Provide any other analysis and reports as requested by Division Staff.

### **3.1.5 TRAINING, EDUCATION, AND CLIENT SERVICE**

- A. Provide investment education and training to DOI personnel and Council members as requested.
- B. Provide assistance on special projects as requested.
- C. Participate in ad hoc workshops on specific issues designated by DOI as requested.
- D. Communicate, when necessary or requested, with DOI staff about workflow and any other operational issues.
- E. Develop educational materials on requested topics or projects.
- F. Respond to inquiries in an appropriate and timely manner.
- G. Share all firm research, including white papers, and provide regular access to research staff.

### **3.1.6 OPERATIONAL DUTIES**

- A. Attend IPC meetings, approximately twelve (12) annually, by telephone and Council meetings, approximately six (6) annually, in person and other meetings as requested.
- B. Prepare requested presentations for IPC and/or Council meetings, including the Annual Meeting of the Council.
- C. Attend annual and/or advisory board meetings of the private equity and/or real assets investments as requested.

## **3.2 SECONDARY CONSULTANT**

As a result of award of a mini bid engagement pursuant to Section 3.2.4, the Secondary Consultant(s) shall perform, but is not limited to, the following duties based upon an All-Inclusive Hourly Rate:

### **3.2.1 SOURCING, DUE DILIGENCE, AND NEGOTIATION**

#### **3.2.1.1 SOURCING**

- A. Provide access to a database containing information on private equity and/or real assets managers and/or funds, which includes information regarding their philosophy, management personnel, audited performance results, investors, and fees, for both domestic and international managers/funds across all different types of private equity and/or real assets investments.

- B. Upon request, provide a list of new private equity fund managers and/or real assets managers and/or funds coming to the market, and established funds with additional investment capacity.

**3.2.1.2 DUE DILIGENCE**

- A. Conduct due diligence on funds identified by DOI, including reviewing the qualifications of each fund's general partner, interviewing potential candidates, conducting reference checks, and conducting background checks when appropriate.
- B. Prepare, jointly with DOI staff and/or independently, investment due diligence and operational due diligence reports and recommendations on prospective investments for submission to the IPC and Council. Provide DOI, the IPC, and the Council with such other relevant, reliable, and timely research and information as requested.
- C. Upon request, assist DOI staff in the evaluation of secondary transactions, both purchases and sales, and the evaluation of co-investment opportunities.

**3.2.1.3 NEGOTIATION**

- A. When appropriate and/or if guided by Division Staff, negotiate business terms and appropriate structural incentives for prospective investments.
- B. Provide investment fee negotiation services for prospective investments as requested.

**3.2.2 INVESTMENT MONITORING AND REPORTING**

- A. Provide ongoing analysis and monitoring of selected fund managers. Provide written reports upon request.
- B. Notify DOI in writing of any underperformance, noncompliance, significant changes, or adverse events, and provide analysis and advice on such issues as soon as discovered.
- C. At least annually or upon request, conduct organizational stability and performance audits of selected fund managers, including onsite visits. Provide written reports upon request.
- D. Provide advice, as needed, in connection with such concerns as probation and termination procedures.
- E. At least annually or upon request, evaluate fund manager compliance with industry best practice standards. Provide written reports upon request.
- F. Review all cash flows and provide both a quarterly and fiscal year break down, including, but not limited to, all expenses, management fees and carried interest.

- G. Provide fund level summary performance data based on cash flows received from DOI's custodian and on statements received quarterly from fund managers.
- H. Provide any other analysis and reports as requested by Division Staff.

### **3.2.3 OPERATIONAL DUTIES**

- A. Attend IPC meetings, Council meetings, and any other meetings as requested.
- B. Prepare requested presentations for IPC and/or Council meetings.
- C. Attend annual and/or advisory board meetings of funds as requested.

### **3.2.4 ENGAGEMENT PROCESS**

Contractors selected as Secondary Consultants as a result of this RFP will be engaged to perform specific projects to meet DOI's needs and requirements in accordance with the following mini-bid process:

DOI shall develop the scope of work and request competitive price quotes (mini bids). The request shall be sent from DOI to the Secondary Consultant(s) and will specify the nature, scope and goals of the project and the deadline for submitting responses.

If a Secondary Consultant is not able to participate in a specific project due to a conflict of interest or scheduling problem, it shall decline the request for a competitive quote in writing to the DOI Contract Manager.

If a Secondary Consultant does not have a conflict of interest or scheduling problem, it shall respond within the established time period with the following:

- A detailed proposal to perform the scope of work reflecting the requirements of the engagement;
- A contract (Project) schedule that shall identify the associated deliverable items to be submitted as evidence of completion of each task and/or sub-task;
- A comprehensive chart showing the person-hours proposed to meet the requirements of the request for competitive quotes. The chart shall be designed to reflect the tasks, sub-tasks, or other work elements required by the request for competitive quotes. The chart shall set forth, for each task, sub-task or other work element, the total number of person-hours, by labor category, proposed to complete the contract; and
- A proposed not-to-exceed price for the engagement based on the All-Inclusive Hourly Rate specified in the contract issued as a result of this RFP. The Secondary Consultant is permitted to reduce the All-Inclusive Hourly Rate for the purpose of submitting a bid in response to a specific project and is not required to maintain that lower rate for subsequent projects. However, under no circumstance is the Secondary Consultant permitted to increase the All-Inclusive Hourly Rate beyond the rate specified in the contract issued as a result of this RFP.

The DOI Contract Manager will review the responses and award the engagement to the Secondary Consultant whose proposal is most advantageous to the State, price and other factors considered.

### **3.3 SPECIAL SERVICES**

In order for DOI to fulfill its fiduciary responsibilities for the State's pension funds, the Contractor may be required to perform additional work directly related to this RFP. Such additional work related to the scope of work of this RFP, shall be performed pursuant to a written plan developed by the Contractor and approved by the DOI Contract Manager. The plan shall include a detailed budget and timeline for performing the requested services. The hourly fee schedules provided by the Contractor in the Price Schedule shall be used to compensate the Contractor for such services.

## **4.0 PROPOSAL PREPARATION AND SUBMISSION**

### **4.1 PROPOSAL PREPARATION - GENERAL**

**4.1.1 IN ORDER TO BE CONSIDERED, A PROPOSAL MUST ARRIVE AT DOI IN ACCORDANCE WITH THE INSTRUCTIONS ON THE RFP COVER PAGE. BIDDERS ARE CAUTIONED TO ALLOW ADEQUATE DELIVERY TIME TO ENSURE TIMELY DELIVERY OF PROPOSALS. LATE PROPOSALS SHALL BE INELIGIBLE FOR CONSIDERATION.**

4.1.2 The bidder is advised to thoroughly read and follow all instructions contained in this RFP, including the instructions on the RFP's cover page, in preparing and submitting its proposal.

4.1.3 Use of URLs in a proposal should be kept to a minimum and may not be used to satisfy any material term of an RFP. If a preprinted or other document included as part of the proposal contains a URL, a printed (or if a bid is submitted electronically, electronic) copy of the URL page shall be provided and will be considered as part of the proposal. Additional URLs on the copy of the URL page shall not be considered as part of the proposal unless a copy of those URL pages are also provided.

### **4.2 PROPOSAL SUBMISSION**

The bidder must submit the following proposal copies to the addresses provided below.

**DELIVER TO DOI at the following address:**

**Attn: Robyn Kirkland or Queeniqueka Parish  
Regular Mail  
Division of Investment**

**Department of the Treasury  
50 West State Street, 9<sup>th</sup> Floor  
Trenton, NJ 08608 or**

**Overnight  
Division of Investment  
Department of the Treasury  
PO Box 290  
Trenton, NJ 08625-0290**

- **One (1) complete ORIGINAL proposal clearly marked as the “ORIGINAL” proposal.**
- **Seven (7) complete and exact copies clearly marked “COPY.”**
- **Two (2) complete and exact ELECTRONIC copies** of the original proposal in PDF file format on disc (CD or DVD) or portable USB drive to be viewable and "read only" by State evaluators using Adobe Acrobat Reader software.
- **One (1) complete and exact ELECTRONIC copy** of the original proposal in an editable and “writable” PDF file format on disc (CD or DVD) or portable USB drive for redaction.

Copies are necessary in the evaluation of the proposal and for record retention purposes. A bidder failing to provide the requested number of copies will be charged the cost incurred by the State in producing the requested number of copies. The bidder should make and retain a copy of its proposal.

#### **4.3 PROPOSAL ORGANIZATION**

The proposal should be submitted in two volumes with the content of each volume as indicated below:

##### **4.1.4 VOLUME 1**

- Section 1 - Forms (Sections 4.5 and 4.6)
- Section 2 – Price Schedules (Section 5.8)

##### **4.1.5 VOLUME 2**

- Section 1 - Technical Proposal (ALL of Section 5 except for Section 5.8)
- Section 2 – Appendix Documentation

#### **4.4 CERTIFICATIONS**

##### **4.4.1 NON-COLLUSION**

By submitting a proposal, the bidder certifies as follows:

- The price(s) and amount of its proposal have been arrived at independently and without consultation, communication or agreement with any other contractor, bidder or potential bidder.
- Neither the price(s) nor the amount of its proposal, and neither the approximate price(s) nor approximate amount of this proposal, have been disclosed to any other firm or person who is a bidder or potential bidder, and they will not be disclosed before the deadline for proposal submission.
- No attempt has been made or will be made to induce any firm or person to refrain from bidding on this contract, or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal or other form of complementary proposal.
- The proposal is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal.
- The bidder, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last four (4) years been convicted or found liable for any act prohibited by state or federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding on any public contract.

#### **4.4.2 BUSINESS ETHICS GUIDE**

The Treasurer has established a business ethics guide to be followed by State contractors in their dealings with the State. The guide provides further information about compliance with Section 2.8 of the Standard Terms & Conditions. The guide can be found at:

<https://www.state.nj.us/treasury/purchase/ethics.shtml>

By submitting a proposal, the bidder is automatically certifying that it has read the guide, understands its provisions and is in compliance with its provisions.

#### **4.5 FORMS REQUIRED WITH PROPOSAL**

##### **4.5.1 COVER LETTER**

The bidder shall submit a cover letter with its proposal, including the signature of an authorized representative of the bidder. If the bidder is a limited partnership, the cover letter must be signed by a general partner. If the bidder is a joint venture, the cover letter must be signed by a principal of each party to the joint venture.

##### **4.5.2 OWNERSHIP DISCLOSURE FORM**

Pursuant to N.J.S.A. 52:25-24.2, in the event the bidder is a corporation or partnership, the bidder must complete the attached Ownership Disclosure



Form. A current completed Ownership Disclosure Form must be received prior to or accompany the proposal.

#### **4.5.3 DISCLOSURE OF INVESTIGATIONS AND OTHER ACTIONS INVOLVING BIDDER**

The bidder shall provide a detailed description of any investigation, litigation, including but not limited to administrative complaints or other administrative proceedings, involving any public sector clients during the past five (5) years. This description shall include the nature and status of the investigation, and, for any litigation, the caption of the action, a brief description of the action, the date of inception, current status, and, if applicable, disposition. The bidder shall use the attached Disclosure of Investigations and Other Actions Involving Bidder form for this purpose.

#### **4.5.4 SUBCONTRACTOR UTILIZATION PLAN**

All bidders intending to use a subcontractor must submit a completed Subcontractor Utilization Plan. The Subcontractor Utilization Plan form may be found at the following website:

<http://www.state.nj.us/treasury/purchase/forms/SubContractingForms.pdf>

#### **4.5.5 DISCLOSURE OF INVESTMENT ACTIVITIES IN IRAN**

Pursuant to N.J.S.A. 52:32-58, the bidder must certify, at the time the bid is submitted, that neither the bidder, nor any of its parents, subsidiaries or affiliates, is identified on the State of New Jersey Department of Treasury's list of entities determined to be engaged in prohibited investment activities in Iran. The bidder shall use the attached Disclosure of Investment Activities in Iran form for this purpose.

### **4.6 FORMS REQUIRED BEFORE CONTRACT AWARD THAT SHOULD BE SUBMITTED WITH THE PROPOSAL**

#### **4.6.1 SOURCE DISCLOSURE CERTIFICATION FORM**

Pursuant to N.J.S.A. 52:34-13.2, all services performed under a State contract or under any subcontract under the State contract shall be performed within the United States, except when it is certified in writing that a required service cannot be provided by a contractor or subcontractor within the United States and the certification is approved by the State Treasurer. Refer to Section 3.6 of the State of New Jersey Standard Terms & Conditions.

The bidder shall disclose the location by country where services under the Contract, including subcontracted services, will be performed. If any of the services cannot be performed within the United States, the bidder shall state

with specificity the reasons why the services cannot be so performed. The bidder shall use the attached Source Disclosure Certification form for this purpose.

## **5.0 TECHNICAL PROPOSAL**

In this section, the bidder shall describe its approach and plans for accomplishing the work outlined in Section 3.0, Scope of Work. The bidder must set forth its understanding of the requirements of this RFP and its ability to successfully complete the contract. This section of the proposal should at a minimum contain the information identified below, including bidder's answers to the questions presented.

The questions below should be included in the proposal followed by its corresponding answer. For convenience, the questions in this section are included as an MS Word attachment to this RFP.

### **5.1 OVERVIEW**

The Contractor shall provide a summary statement of no more than three (3) pages stating why the bidder is most able to provide the services listed herein to the DOI.

The summary should address the bidder's overall technical approach and plans to meet the requirements of the RFP in a narrative format. This narrative should demonstrate to the State that the bidder understands the objectives that the contract is intended to meet, the nature of the required work, and the level of effort necessary to successfully complete the contract. It should also demonstrate that the bidder's general approach and plans to undertake and complete the contract are appropriate to the tasks and subtasks involved.

Mere reiterations of RFP tasks and subtasks are strongly discouraged, as they do not provide insight into the bidder's ability to complete the contract. The bidder's response to this section should be designed to demonstrate to the State that the bidder's detailed plans and approach proposed to complete the Scope of Work are realistic, attainable and appropriate and that the bidder's proposal will lead to successful contract completion.

### **5.2 ORGANIZATION (PRIMARY AND SECONDARY CONSULTANT)**

- A. Provide a brief history of the firm, including the year organized and the year the firm began providing investment consulting services to public fund clients.
- B. Provide the firm's mission statement.
- C. Describe the firm's revenue model and explain how it mitigates potential conflicts of interest inherent in the consultant/client relationship and creates alignment with non-discretionary advisory clients.
- D. Describe the ownership structure of the firm, giving specific details with regard to any parents or affiliates. Describe any changes over the last five (5) years. Include an organizational chart and a description of the firm's distribution of ownership

interest. Provide equity ownership percentages for minority and women owners.

- E. Provide a list of all office locations, and a matrix showing the number of people in each office location by function (research, advisory, risk, back office, etc.), firm tenure (in years), overall relevant work experience (in years), and title (analyst, associate, partner, etc.)
- F. Discuss the overall business objectives of the firm with respect to future growth. Comment on any present or planned areas of emphasis over the near future. Be sure to include in your response:
  - i. Total assets or client relationships that will be accepted.
  - ii. Maximum limits on asset amounts or number of clients per consultant.
  - iii. Plans to develop and expand resources, merge or acquire other firms, or spin-off subsidiaries.
- G. Explain whether the firm exercises discretionary investment authority along with investment consulting services for any clients. If so, describe how the firm addresses potential conflicts. Quantify the level of discretionary investment authority both in terms of % of total assets and % of total revenue.
- H. Please describe how the bidder broadly considers sustainable business practices across its firm and the role of ESG factors within its own operations and its consulting platform.
- I. As part of your firm's due diligence, how do you approach an investment firm's ESG factors including board governance, social policies, data protection and privacy, emissions reporting, waste management, energy efficiency, responsible contractor policies, and labor standards? Does your firm engage with investment firms regarding the ESG practices of their portfolio companies?
- J. Please describe how you measure diversity (of all forms) within your business and within individual teams, what your current metrics show, and whether you are implementing changes. What (if any) diversity-related metrics do you monitor within the investment team? Do you have a partnership with an organization that supports employment of underrepresented groups in finance i.e., diversity initiatives, partnerships with schools, etc.? (Please list) Do you have in place programs that encourage recruitment from non-traditional routes, i.e., apprenticeship programs, programs for military veterans? (Please list)

### **5.3 CLIENTS AND STAFFING PRIMARY AND SECONDARY CONSULTANT**

- A. Identify the total number of clients by type (e.g., corporate plan or public plan), the average client to consultant ratio, and the maximum number of clients assigned to a consultant.

- B. Provide the number of clients gained and number of clients lost in each of the last three (3) years, and identify the five (5) largest clients lost over the last three (3) to five (5) years, including the reason(s) for termination.
- C. Provide references from a minimum of three institutional investors of a similar size and scope with the contact person's name, telephone number and email address.
- D. Briefly describe the firm's philosophy with respect to investment consulting mandates and the nature of the services that you provide. What key strengths and competitive advantages generate superior performance and service for the firm's clients?
- E. Provide a contract organization chart, with names showing management, supervisory, research, advisory, ODD, and other key personnel to be assigned to the contract.
- F. State whether the firm's employees comply with the Code of Ethics and Standards of Professional Conduct of the CFA Institute. If not, indicate whether the firm maintains a code of ethics. Provide a copy of the firm's Code of Ethics.
- G. Describe all licenses held and maintained by the firm, its directors, officers, and principals, and any of the individuals who will be responsible for providing the services described in this RFP that are required in order to do business with the State or elsewhere. Provide a listing of any and all suspensions or expulsions of the firm or any of its personnel by any regulatory agency during the past five (5) years with an explanation of the reason for such suspensions or expulsions and the time period for such actions.
- H. State whether the firm is registered with the Securities and Exchange Commission or the New Jersey Bureau of Securities, as an investment adviser. If so, provide all disclosures required under those laws (including Parts I and II of Form ADV). Note whether the firm is registered as an MWBE firm per the State's guidelines.
- I. State whether the firm has been subject to or is currently being reviewed or audited by the Securities and Exchange Commission or other regulatory agencies. If yes, please describe the nature of the investigation.
- J. State whether over the last five (5) years, the firm, or any principal or officer of the firm has been involved in any business litigation, regulatory, or other legal proceedings or government investigation involving allegations of fraud, negligence criminal activity or breach of fiduciary duty. If so, describe.
- K. Complete the following table regarding your staff that left or joined your firm within the last three (3) years. Include anticipated personnel changes for the next year.

Name & Title	Joined or Left	Date Joined	Date Left	Reason

- L. Describe the firm's compensation system for principal staff, and indicate specific incentives utilized to ensure key professionals do not leave the firm either as a group or individually. Explain how the firm ties client performance and satisfaction to a consultant's compensation. Highlight how the compensation structure mitigates potential conflicts of interest and ensures alignment between the firm and its non-discretionary advisory clients.
- M. Identify the team members that will be assigned to the DOI. Provide a description of each team member's role and a brief resume that highlights their experience working with investors of a similar size and scope.

**5.4 RESEARCH (PRIMARY AND SECONDARY CONSULTANT)**

- A. Describe the firm's commitment to research, performance, and database system enhancements. Provide specific examples.
- B. State whether the firm prepares white papers on relevant investment topics. If so, provide a sample.

**5.5 PORTFOLIO CONSTRUCTION (PRIMARY AND SECONDARY CONSULTANTS)**

- A. Detail the firm's process for recommending an overall private equity and/or real assets portfolio structure.
- B. State whether the firm provides any customized computer-based analytical tools or web access to its clients. If so, describe what they are and the value they provide to clients. If the firm maintains a portal for its clients, provide a temporary login and password for the portal for evaluation purposes.
- C. Acknowledge the firm's fiduciary status and its acceptance of fiduciary responsibility for recommendations to DOI.
- D. Provide a sample of a capital deployment pacing model and report.

**5.6 INVESTMENT PHILOSOPHY AND PROCESS (PRIMARY AND SECONDARY CONSULTANTS)**

- A. Describe the firm's philosophy regarding private equity and/or real assets investments and the private equity and/or real assets market. Describe the factors that influence the private equity and/or real assets market.
- B. Discuss the firm's investment philosophy with respect to portfolio construction, manager selection, and industry diversification when considering investment opportunities. Address how clients' organizational capabilities and limitations inform this philosophy.

- C. Describe the firm's approach to the investment selection/due diligence process, including the criteria for investing in private equity and/or real assets investments and the relative importance of each criterion, the objective and subjective standards used to evaluate investment opportunities and fund managers, and the firm's internal approval process.
- D. Identify and discuss the firm's tracking system for prospective private equity and/or real assets investments. What sectors are followed in the tracking system? How many funds and fund managers are tracked? How many years of performance data are on the system?
- E. Describe the role ESG, MWBE, diversity and inclusion, impact investing and/or other similar considerations play in the firm's manager search and selection process. Provide examples.
- F. Describe the firm's expertise in and coverage of domestic and international private equity and/or real assets investments.
- G. Describe the firm's approach to the due diligence process. What parts of the sponsor's due diligence do you typically review in depth? How does the firm's due diligence differ from the sponsor's? Provide examples of two full due diligence reports that have been submitted to clients for private equity and/or two full due diligence reports that have been submitted to clients for real assets investments (redaction of fund names is acceptable).
- H. Discuss how the firm performs an independent analysis of each investment opportunity and attempts to validate (or not) the general partner's claims and assumptions. When risks of a highly technical nature are involved or key risks in a niche industry or niche market need to be identified, describe how the firm identifies, engages, and interacts with the appropriate specialists. What factors determine whether the appropriate technical, niche industry, or niche market specialist has been identified?
- I. Discuss if the firm has performed due diligence on a separate account structure. Provide a brief overview of the structure and diligence process.
- J. Discuss the firm's experience in evaluating secondary transactions, both purchases and sales. Provide specific examples of transactions the firm was involved in, if applicable.
- K. Discuss the firm's experience in evaluating co-investment opportunities. Provide specific examples of transactions the firm was involved in, if applicable.
- L. Discuss the firm's experience in evaluating GP equity stakes, revenue sharing agreements and other similar opportunities. Provide specific examples of transactions the firm was involved in, if applicable.

- M. Provide a copy of the firm's due diligence procedures.
- N. Explain how "deal teams" are staffed. How many people are on a "deal team" and what role does each play?
- O. Explain the firm's investment committee process. Who sits on the investment committee, how frequently does it meet, what role does it play in the firm's broader investment process, what types of factors does it consider, etc.?
- P. Describe the firm's operational due diligence (ODD) process and capabilities. Explain the firm's philosophy on the role of ODD in private equity and/or real assets due diligence, to include:
- frequency of ODD refreshes
  - differences in ODD between open-end and closed-end funds
  - which individuals are selected for background checks, how they are selected, how many are selected, etc.
  - cost of background checks and the factors that impact the cost.
- Q. Describe the firm's legal due diligence process, if any. Does the firm use inside or outside counsel for transactions? If in-house, identify the legal staff and their private equity and/or real assets expertise. If outside counsel, identify the firms used most often.
- R. Provide a timeline for how long it takes to deliver investment due diligence and/or operational due diligence reports to clients. How much lead time does the firm require to complete its work?
- S. Discuss information requests made to investment managers and how the firm deals with noncompliance? If all the information requested is not received from the manager, what impact does that have on the firm's ability to complete its due diligence and deliver timely reporting to the client?

#### **5.7 PERFORMANCE MEASUREMENT (PRIMARY CONSULTANT)**

- A. Describe how the firm monitors and analyzes investment performance, including how the firm determines appropriate benchmarks. Describe any databases used by the firm. Provide a sample performance report.
- B. State whether the firm's performance reports can be customized and whether there are charges for additional information requests.
- C. State the anticipated turnaround time to produce a quarterly and annual performance report.
- D. Describe how the firm obtains data from the client's custodian and risk aggregator and how the firm verifies the accuracy of the data received from the custodian and risk aggregator.



- E. Describe the firm's step-by-step process for return reconciliation, including how the firm verifies the accuracy of management fees and carry paid. Provide an example of a report or analysis demonstrating such.
- F. Describe the firm's performance measurement reporting system and methodologies. Describe the firm's monitoring process and how information provided by the fund managers is verified.
- G. List and describe the private equity and/or real assets benchmarks employed (both market indices and peer group) and those recommended to assist in judging performance.
- H. Outline the process for monitoring and reporting on market trends. Include in your response two research reports generated by the firm.
- I. Describe the client reporting process the firm typically undertakes in preparing quarterly and annual reports. Assuming information is available on a timely basis from the general partners, how long would it take to prepare and deliver quarterly and annual reports to the Division?
- J. Enclose samples of typical quarterly and annual performance reports for a pension fund client.

## 5.8 **PRICE SCHEDULE**

The bidder must submit its pricing using the format set forth in the State-supplied price schedules accompanying this RFP. Failure to submit all information required may result in the proposal being considered non-responsive. Each bidder is required to hold its prices firm through award of the Contract and shall not increase such prices during the term of the Contract.

**Proposal prices must be typed or written in ink. Any price change (including "white-outs") must be initialed.**

## **6.0 TERMS AND CONDITIONS**

### **6.1 ENTIRE AGREEMENT; PRECEDENCE OF CONFLICTING TERMS**

- 6.1.1 The Contract awarded as a result of this RFP shall consist of this RFP (including the Standard Terms & Conditions), any Addenda to this RFP, Contractor's proposal, Contractor's best and final offer, and DOI's Notice of Award.
- 6.1.2 Unless specifically stated within this RFP, the Modifications and Changes to the Standard Terms & Conditions (as contained in Section 6.16 of this RFP) take precedence over the Standard Terms & Conditions accompanying this RFP.
- 6.1.3 In the event of a conflict between the provisions of this RFP, including the Modifications and Changes to the Standard Terms & Conditions, any Addenda to this RFP, the Standard Terms & Conditions, Contractor's proposal, and Contractor's best and final offer, the order of precedence from most controlling to least shall be the following: any Addendum to the RFP, the RFP, the Standard Terms & Conditions, Contractor's best and final offer, and Contractor's proposal.

### **6.2 CONTRACT TERM AND EXTENSION OPTION**

The term of the resulting Contract(s) shall be for a period of five (5) years. The anticipated "Contract Effective Date" is provided on the signatory page accompanying this RFP. If delays in the procurement process result in a change to the anticipated Contract Effective Date, the bidder agrees to accept a contract for the full term of the contract.

The contract may be extended for two (2) additional periods of up to one (1) year each, by the mutual written consent of the contractor and the Director at the same terms, conditions, and pricing at the rates in effect in the last year of the contract or rates more favorable to the State.

### **6.3 CONTRACT TRANSITION**

In the event that a new contract has not been awarded prior to the contract expiration date, as may be extended herein, it shall be incumbent upon the contractor to continue the contract under the same terms and conditions until a new contract can be completely operational. At no time shall this transition period extend more than one year beyond the expiration date of the contract.

### **6.4 CONTRACT AMENDMENT**

Any changes or modifications to the terms of the contract shall be valid only when they have been reduced to writing and signed by the contractor and the Director.

## **6.5 CONTRACTOR RESPONSIBILITIES**

The Contractor shall have sole responsibility for the complete effort specified in the contract. Payment will be made only to the Contractor. The Contractor shall have sole responsibility for all payments due any subcontractor.

The Contractor is responsible for the professional quality, technical accuracy and timely completion and submission of all deliverables, services or commodities required to be provided under the contract. The Contractor shall, without additional compensation, correct or revise any errors, omissions, or other deficiencies in its deliverables and other services. The approval of deliverables furnished under this contract shall not in any way relieve the Contractor of responsibility for the technical adequacy of its work. The review, approval, acceptance or payment for any of the services shall not be construed as a waiver of any rights that DOI may have arising out of the contractor's performance of this contract.

## **6.6 OWNERSHIP OF MATERIAL**

All data, technical information, materials gathered, originated, developed, prepared, used or obtained in the performance of the contract, including, but not limited to, all reports, surveys, plans, charts, literature, brochures, mailings, recordings (video and/or audio), pictures, drawings, analyses, graphic representations, software computer programs and accompanying documentation and print-outs, notes and memoranda, written procedures and documents, regardless of the state of completion, which are prepared for or are a result of the services required under this contract shall be and remain the property of DOI and shall be delivered to DOI upon thirty (30) days notice by DOI. With respect to software computer programs and/or source codes developed for DOI, the work shall be considered "work for hire," i.e., DOI, not the Contractor or subcontractor, shall have full and complete ownership of all software computer programs and/or source codes developed. To the extent that any of such materials may not, by operation of the law, be a work made for hire in accordance with the terms of this contract, the Contractor or subcontractor hereby assigns to the State all right, title and interest in and to any such material, and the State shall have the right to obtain and hold in its own name and copyrights, registrations and any other proprietary rights that may be available.

Should the bidder anticipate bringing pre-existing intellectual property into the project, the intellectual property must be identified in the proposal. Otherwise, the language in the first paragraph of this section prevails. If the bidder identifies such intellectual property ("Background IP") in its proposal, then the Background IP owned by the bidder on the date of the contract, as well as any modifications or adaptations thereto, remain the property of the bidder. Upon contract award, the bidder or Contractor shall grant the State a non-exclusive, perpetual royalty free license to use any of the bidder/contractor's Background IP delivered to the State for the purposes contemplated by the contract.

## **6.7 SECURITY AND CONFIDENTIALITY**

### **6.7.1 DATA CONFIDENTIALITY**

All financial, statistical, personnel, customer and/or technical data supplied by DOI to the Contractor are confidential. The Contractor must secure all data from manipulation, sabotage, theft or breach of confidentiality. The Contractor is prohibited from releasing any financial, statistical, personnel, customer and/or technical data supplied by DOI that is deemed confidential. Any use, sale, or offering of this data in any form by the Contractor, or any individual or entity in the Contractor's charge or employ, will be considered a violation of this contract and may result in contract termination and the Contractor's suspension or debarment from State contracting. In addition, such conduct may be reported to the State Attorney General for possible criminal prosecution.

The Contractor shall assume total financial liability incurred by the contractor associated with any breach of confidentiality.

### **6.7.2 SECURITY STANDARDS**

**6.7.2.1** Contractor shall maintain network security that, at a minimum, includes: network firewall provisioning, intrusion detection and prevention, vulnerability assessments and regular independent third party penetration testing. Contractor shall maintain network security that conforms to current standards set forth and maintained by the National Institute of Standards and Technology (NIST), including those at:

<http://web.nvd.nist.gov/view/ncp/repository>

or any recognized comparable security standard that Contractor then applies to its own infrastructure. Industry standards such as ISO 27002, PCI Data Security Standard and ISF Standard of Good Practice, align with security best practices from SANS and CISecurity.

**6.7.2.2** Contractor shall protect and maintain the security of data in accordance with generally accepted industry practices.

**6.7.2.3** Data usage, storage, and protection are subject to any applicable federal and state regulatory requirements.

**6.7.2.4** Contractor shall only transmit or exchange DOI data with other parties when expressly requested in writing and permitted by and in accordance with requirements of DOI. Contractor shall only transmit or exchange data with DOI or other parties through secure means supported by current technologies.

**6.7.2.5** All provisions applicable to data include data in any form of transmission or storage, including but not limited to: database files, text files, backup files, log files, XML files, and printed copies of the data.

**6.7.2.6** All DOI-provided data shall be used expressly and solely for the purposes enumerated in the Contract. Data shall not be distributed, repurposed or shared across other applications, environments, or business units of Contractor. No DOI-provided data of any kind shall be transmitted, exchanged or otherwise passed to other contractors or interested parties (other than DOI's custodian, risk aggregator, general investment consultant, audit firm, or external legal counsel) except on a case-by-case basis as specifically agreed to in writing by the DOI Contract Manager.

**6.7.2.7** Contractor shall comply with all applicable State and Federal laws that require the notification of individuals in the event of unauthorized release of personally identifiable information or other event requiring notification. In the event of a breach of any of Contractor's security obligations or other event requiring notification under applicable law ("Notification Event"), Contractor shall assume responsibility for informing the DOI Contract Manager and all such individuals in accordance with applicable law and to indemnify, hold harmless and defend the State (including but not limited to DOI), its officials, and employees from and against any claims, damages, or other harm related to such Notification Event.

## **6.8 NEWS RELEASES**

The Contractor is not permitted to issue news releases pertaining to any aspect of the services being provided under this contract without the prior written consent of the Director.

## **6.9 ADVERTISING**

The Contractor shall not use the State's name, logos, images, or any data or results arising from this contract as a part of any commercial advertising without first obtaining the prior written consent of the Director.

## **6.10 LICENSES AND PERMITS**

The Contractor shall obtain and maintain in full force and effect all required licenses, permits, and authorizations necessary to perform this contract. The contractor shall, upon request, supply the DOI Contract Manager with evidence of all such licenses, permits and authorizations. All costs associated with any such licenses, permits and authorizations must be considered by the bidder in its proposal.

## **6.11 CLAIMS AND REMEDIES**

### **6.11.1 CLAIMS**

All claims asserted against the State (including DOI) by the Contractor shall be subject to the New Jersey Tort Claims Act, N.J.S.A. 59:1-1, et seq., and/or the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq.

### **6.11.2 REMEDIES**

Nothing in the contract shall be construed to be a waiver by the State (including DOI) of any warranty, expressed or implied, of any remedy at law or equity, except as specifically and expressly stated in a writing executed by the Director.

### **6.12 REMEDIES FOR FAILURE TO COMPLY WITH MATERIAL CONTRACT REQUIREMENTS**

In the event the Contractor fails to comply with any material contract requirements, the Director may take steps to terminate the contract in accordance with the State of NJ Standard Terms & Conditions, authorize the delivery of contract items by any available means, with the difference between the price paid and the defaulting contractor's price either being deducted from any monies due the defaulting contractor or being an obligation owed the State by the defaulting contractor as provided for in the State administrative code, or take any other action or seek any other remedies available at law or in equity.

### **6.13 ADDITIONAL WORK AND/OR SPECIAL PROJECTS**

The Contractor shall not perform additional work or special projects without first obtaining written approval from both the DOI Contract Manager and the Director.

In the event of additional work and/or special projects, the Contractor must present a written proposal to perform the additional work to the DOI Contract Manager. The proposal should provide justification for the necessity of the additional work. The relationship between the additional work and the base contract work must be clearly established by the Contractor in its proposal.

The Contractor's written proposal must provide a detailed description of the work to be performed, broken down by task and subtask. The proposal should also contain details on the level of effort, including hours, labor categories, etc., necessary to complete the additional work.

The written proposal must detail the cost necessary to complete the additional work in a manner consistent with the contract. Whenever possible, the price schedule should be a firm, fixed price to perform the required work. A payment schedule, tied to successful completion of tasks and subtasks, must be included.

Upon receipt and approval of the Contractor's written proposal, the DOI Contract Manager shall forward it to the Director for the Director's written approval.

No additional work and/or special project may commence without the Director's written approval. In the event the Contractor proceeds with additional work and/or special projects without the Director's written approval, it shall be at the Contractor's sole risk. DOI shall be under no obligation to pay for work performed without the Director's written approval.

**6.14 ORGAN DONATIONS**

Pursuant to N.J.S.A. 52:32-33, Contractors are encouraged to notify their employees, through information and materials or through an organ and tissue awareness program, of organ donation options. The information provided to employees shall be prepared in collaboration with the organ procurement organizations designated pursuant to 42 U.S.C. §1320b-8 to serve in this State.

**6.15 MODIFICATIONS AND CHANGES TO THE STATE OF NJ STANDARD TERMS & CONDITIONS**

6.15.1 The third, fourth and fifth sentences of Section 1 of the Standard Terms & Conditions are deleted and replaced with the following sentence:

“In the event that the bidder/offeror would like to present terms and conditions that are in conflict with either these terms and conditions or those set forth in the RFP, the bidder/offeror must present those conflicts during the Question and Answer period or during negotiations for the State to consider.”

6.15.2 The final sentence of Section 1 of the Standard Terms & Conditions is deleted and replaced with the following sentence:

“Nothing in these terms and conditions shall prohibit the Director of the Division of Investment (Director) from amending a contract when the Director determines it is in the best interest of the State.”

6.15.3 Section 4.2 of the Standard Terms & Conditions regarding insurance is modified by:

(i) modifying the Certificate Holder to read:

State of New Jersey, Department of the Treasury  
Division of Investment  
P.O. Box 290  
Trenton, New Jersey 08625

(ii) amending the e-mail address for certificates and notices of cancellation to read:

[doi@treas.nj.gov](mailto:doi@treas.nj.gov)

and (iii) adding the following section regarding professional liability insurance:

“Professional Liability Insurance: Contractor shall carry Errors and Omissions, Professional Liability Insurance and/or Professional Liability Malpractice Insurance sufficient to protect Contractor from any liability arising out the professional obligations performed pursuant to the requirements of the Contract. The insurance shall be in the amount of not less than \$10,000,000 and in such policy forms as shall

be approved by DOI. If Contractor has claims-made coverage and subsequently changes carriers during the term of the Contract, it shall obtain from its new Errors and Omissions, Professional Liability Insurance and/or Professional Malpractice Insurance carrier an endorsement for retroactive coverage to the date of Contract commencement.”

- 6.15.4 References to the “Director” within the Standard Terms & Conditions shall mean the Director of DOI and references to the “State Contract Manager” within the Standard Terms & Conditions shall mean the DOI Contract Manager.



## **7.0 PROPOSAL EVALUATION**

### **7.1 RIGHT TO WAIVE**

The Director reserves the right to waive minor irregularities or omissions in a bid proposal. The Director also reserves the right to waive a requirement provided that:

- A. the requirement is not mandated by law;
- B. all the otherwise responsive proposals failed to meet the requirement; and
- C. in the sole discretion of the Director, the failure to comply with the requirement does not materially affect the procurement or the State's interests associated with the procurement.

### **7.2 RIGHT TO REJECT OR AWARD IN PART**

The Director reserves the right to reject any or all proposals, or to award in whole or in part, if the Director deems it to be in the best interest of the State to do so. Notice of such a rejection shall be posted on the DOI website, <http://www.state.nj.us/treasury/doinvest>.

### **7.3 RIGHT TO INSPECT BIDDER'S FACILITIES**

The Director reserves the right to inspect, or to direct an employee or member of the Selection Committee to inspect, the bidder's establishment before making an award, for the purposes of ascertaining whether the bidder has the necessary facilities for performing the Contract.

### **7.4 RIGHT TO REQUEST FURTHER INFORMATION**

7.4.1 The Director reserves the right to request all information which may assist him or her in making a contract award, including factors necessary to evaluate the bidder's financial capabilities to perform the Contract.

7.4.2 The Director reserves the right to request a bidder to explain, in detail, how the proposal price was determined.

7.4.3 The Director reserves the right to consult with clients of the bidder during the evaluation of bids.

### **7.5 SELECTION COMMITTEE**

Proposals shall be evaluated by a Selection Committee composed of members of DOI staff and/or other State employees. The Director may also recommend technical advisors, including members of the Investment Policy Committee of the Council, DOI employees, consultants, and/or attorneys to assist the Selection Committee.

## **7.6 ORAL PRESENTATIONS AND/OR DEMONSTRATIONS**

After the submission of proposals, unless requested by DOI as noted below, contact between DOI staff and any bidder or its employees/representatives regarding the RFP is still not permitted.

After the proposals are reviewed, a bidder may be asked to clarify certain aspects of its proposal. The process of clarification is not an opportunity for the bidder to revise or modify its proposal, and any response or portion of a response by the bidder to a request for clarification that attempts to revise or modify its proposal shall be given no effect.

The bidder may be required to give an oral presentation to the Selection Committee concerning its proposal. The Selection Committee may request the bidder to provide a demonstration of the bidder's systems. Bidders may not attend the oral presentations or demonstrations of their competitors.

It is within the Director's discretion whether to request a bidder to clarify its proposal or to give an oral presentation. Such a request, or lack thereof, should not be construed to imply acceptance or rejection of a proposal.

## **7.7 EVALUATION CRITERIA**

All proposals will be reviewed to determine responsiveness. Non-responsive proposals will be rejected without evaluation. Responsive proposals will be evaluated by the Selection Committee.

Responses/proposals may be eliminated for failing to meet the minimum qualifications and screening criteria listed in Section 1.4 above. A bidder with a history of performance problems as demonstrated by formal complaints and/or cancellations of contracts for cause, may also be eliminated from consideration for an award under this RFP.

The following evaluation criteria categories, separate or combined in some manner, and not necessarily listed in order of significance, may be used to evaluate proposals received in response to this RFP. The evaluation criteria categories may be used to develop more detailed evaluation criteria to be used in the evaluation process:

- a. The qualifications and experience of the bidder's management, supervisory, or other key personnel assigned to the Contract, with emphasis on documented experience in successfully completing work on contracts requiring services of similar size and scope.
- b. The bidder's documented experience in successfully completing contracts requiring services of similar size and scope to the work required by this RFP.
- c. Ability of the bidder to mobilize, undertake and successfully complete the services required by this RFP.
- d. The resources of the firm.

- e. The number and qualifications of management and supervisory and other staff proposed by the firm to perform the services required by this RFP.
- f. The availability and commitment to DOI of the firm's management, and supervisory and other staff proposed. The firm's contract management plan.
- g. Cost proposal.

## **7.8 PROPOSAL DISCREPANCIES**

- 7.8.1 If, during the proposal evaluation process, it is discovered that there is an arithmetic disparity between the unit price and the total extended price, the unit price shall prevail. In the event of such disparity, the Director will request, in writing, confirmation by the bidder of the revised total extended price. The bidder will have five (5) business days after receipt of the request to confirm the price. If the bidder fails to respond, its proposal shall be considered withdrawn, and no further consideration shall be given to it. The bidder may only confirm and may not modify or amend its price. The Director shall determine whether any intended confirmation is a modification or amendment.
- 7.8.2 If any other obvious pricing error is found, the Director shall issue a written request for confirmation to the bidder. The bidder will have five (5) business days after receipt of the request to confirm its pricing. If the bidder fails to respond, its proposal shall be considered withdrawn, and no further consideration shall be given to it. The bidder may only confirm and may not modify or amend its price. The Director shall determine whether any intended confirmation is a modification or amendment.
- 7.8.3 If there is an ambiguity in the pricing, other than a disparity between the unit price and extended price or other obvious pricing error, and the bidder's intention is not readily discernible from other parts of the proposal, the Director shall issue a written request for clarification to the bidder. The bidder will have five (5) business days after receipt of the request to clarify its pricing. If the bidder fails to respond, its proposal shall be considered withdrawn, and no further consideration shall be given to it. The bidder may only clarify and may not modify or amend its price. The Director shall determine whether any intended clarification is a modification or amendment.

## **7.9 NEGOTIATION AND BEST AND FINAL OFFER (BAFO)**

- 7.9.1 After evaluating proposals, DOI may enter into negotiations with one bidder or multiple bidders. The primary purpose of negotiations is to maximize the State's ability to obtain the best value based on the mandatory requirements, evaluation criteria, and cost. Multiple rounds of negotiations may be conducted with one bidder or multiple bidders. Negotiations will be structured by DOI to safeguard information and ensure that all bidders are treated fairly.
- 7.9.2 Similarly, the Division may invite one (1) bidder or multiple bidders to submit a best and final offer (BAFO). The invitation will establish the time and place for submission of the BAFO. Any BAFO that is not equal to or lower in price than the pricing offered

in the bidder's original proposal will be rejected as non-responsive, and DOI will revert to consideration and evaluation of the bidder's original pricing.

7.9.3 If required, after review of the BAFO(s), clarification may be sought from the bidder(s). DOI may conduct more than one round of negotiation and/or BAFO in order to attain the best value for the State.

7.9.4 Negotiations will be conducted only in those circumstances where it is deemed by DOI or the Director to be in the State's best interests and to maximize the State's ability to obtain the best value. Therefore, the bidder is advised to submit its best technical and price proposal in response to this RFP since DOI may, after evaluation, make a contract award based on the content of the initial submission without further negotiation and/or BAFO with any bidder.

#### **7.10 PROPOSAL RECOMMENDATION**

7.10.1 After evaluation of proposals and as applicable, negotiation(s) and/or BAFO(s), the Selection Committee will recommend to the Director the responsible bidder(s) whose proposal(s), conforming to the RFP, is/are most advantageous to the State, price and other factors considered. The Director may accept, reject or modify the recommendation of the Selection Committee. The Director may initiate additional negotiation or BAFO procedures with the selected bidder(s).

7.10.2 Until a Notice of Intent to Award the Contract is issued, all contacts, records of initial evaluations, any correspondence with bidders related to any request for clarification, negotiation or BAFO, any revised technical and/or price proposals, the Selection Committee Report, and the Award Recommendation will remain confidential.

## **8.0 CONTRACT AWARD**

### **8.1 DOCUMENTS REQUIRED BEFORE CONTRACT AWARD**

#### **8.1.1 POLITICAL CONTRIBUTION DISCLOSURES**

The State shall not enter into a contract with a bidder that has solicited or made certain political contributions or payments to political parties during certain specified time periods. These prohibitions are set forth in P.L. 2005, Chapter 51, Executive Order No. 117 (2008), P.L. 2005, Chapter 271, and N.J.A.C. 17:16-4.

Pursuant to P.L. 2005, Chapter 271, at least ten (10) days prior to contract award, the bidder shall complete and submit the attached Vendor Certification and Political Contribution Disclosure Form.

Pursuant to P.L. 2005, Chapter 51 and Executive Order No. 117 (2008), prior to the award of any contract, the bidder shall complete and submit the attached Chapter 51 / Executive Order 117 Vendor Certification and Disclosure of Political Contributions form. Instructions for completing this form are available for review on the Division of Purchase & Property's website at:

[http://www.state.nj.us/treasury/purchase/forms/eo134/c51\\_eo117\\_cd\\_instr%2002\\_2009.pdf](http://www.state.nj.us/treasury/purchase/forms/eo134/c51_eo117_cd_instr%2002_2009.pdf)

Pursuant to N.J.A.C. 17:16-4, prior to engagement, the bidder shall complete and submit a Disclosure Report of Political Contributions by Investment Management Firm. This form is available at:

<http://www.state.nj.us/treasury/doinvest/pdf/index/CampFinFirmsForm9-05.pdf>

#### **8.1.2 SOURCE DISCLOSURE CERTIFICATION REQUIREMENTS**

Pursuant to N.J.S.A. 52:34-13.2, all services performed under a State contract or under any subcontract under the State contract shall be performed within the United States, except when it is certified in writing that a required service cannot be provided by a contractor or subcontractor within the United States and the certification is approved by the State Treasurer. Refer to Section 3.6 of the State of New Jersey Standard Terms & Conditions.

The bidder shall disclose the location by country where services under the Contract, including subcontracted services, will be performed. If any of the services cannot be performed within the United States, the bidder shall state with specificity the reasons why the services cannot be so performed. The bidder shall use the attached Source Disclosure Certification form for this purpose.

### **8.1.2 AFFIRMATIVE ACTION**

Pursuant to N.J.S.A. 10:5-32, no contract shall be awarded to any bidder which has not agreed and guaranteed to afford equal opportunity in performance of the contract and in accordance with an affirmative action program approved by the State Treasurer.

The intended awardee must submit a copy of a New Jersey Certificate of Employee Information Report, or a copy of Federal Letter of Approval verifying it is operating under a federally approved or sanctioned Affirmative Action program. Intended awardee(s) not in possession of either a New Jersey Certificate of Employee Information Report or a Federal Letter of Approval shall complete and submit the attached Affirmative Action Employee Information Report.

### **8.1.3 MACBRIDE PRINCIPLES**

The intended awardee shall certify that it either (1) has no business operations in Northern Ireland or (2) that it will take lawful steps in good faith to conduct any business operations they have in Northern Ireland in accordance with the MacBride principles of nondiscrimination in employment as set forth in Section 2 of P.L.1987, c.177 (N.J.S.A. 52:18A-89.5), and in conformance with the United Kingdom's Fair Employment (Northern Ireland) Act of 1989, and permit independent monitoring of their compliance with those principles. The intended awardee shall use the attached MacBride Principles Form for this purpose.

### **8.1.4 BUSINESS REGISTRATION**

Pursuant to N.J.S.A. 52:32-44(b), a bidder and its named subcontractors must have a valid Business Registration Certificate ("BRC") issued by the Department of Treasury, Division of Revenue prior to the award of a contract. See Section 2.1 of the Standard Terms & Conditions.

Any bidder, inclusive of any named subcontractors, who does not have a valid business registration at the time of the proposal submission opening or whose BRC was revoked prior to the submission of the proposal should proceed immediately to register its business or seek re-instatement of a revoked BRC. Bidders are cautioned that it may require a significant amount of time to secure the re-instatement of a revoked BRC. The process can require actions by both the Division of Revenue and the Division of Taxation. For this reason, a bidder's early attention to this requirement is highly recommended. The bidder and its named subcontractors may register with the Division of Revenue, obtain a copy of an existing BRC or obtain information necessary to seek re-instatement of a revoked BRC online at:

<http://www.state.nj.us/treasury/revenue/busregcert.shtml>

A bidder receiving a contract award as a result of this procurement and any subcontractors named by that bidder will be required to maintain a valid business

registration with the Division of Revenue for the duration of the contract, inclusive of any contract extensions.

#### **8.1.5 INSURANCE CERTIFICATES**

Contractor shall provide DOI with current certificates of insurance for all coverages required by the terms of this contract, naming DOI as an Additional Insured. Refer to Section 4.2 of the Standard Terms & Conditions accompanying this RFP.

#### **8.1.6 NOTICE TO BIDDERS OF SET-OFF FOR STATE TAXES**

Pursuant to L. 1995, c. 159, effective January 1, 1996, and notwithstanding any provision of the law to the contrary, whenever any taxpayer, partnership, or S corporation under contract to provide goods or services or construction projects to the State of New Jersey or its agencies or instrumentalities, is entitled to payment for those goods and services at the same time a taxpayer, partner or shareholder of that entity is indebted for any State tax, the Director of the Division of Taxation shall seek to set off that taxpayer's or shareholder's share of the payment due the taxpayer, partnership, or S corporation. The amount set off shall not allow for the deduction of any expenses or other deductions which might be attributable to the taxpayer, partner or shareholder subject to set off under this act.

### **8.2 FINAL CONTRACT AWARD**

#### **8.2.1 AWARD OR REJECTION OF PROPOSALS**

Contract award(s) shall be made with reasonable promptness by written notice to that responsible bidder(s), whose proposal(s), conforming to this RFP, is(are) most advantageous to the State, price and other factors considered. Any or all proposals may be rejected when the Director determines that it is in the public interest to do so. The Director shall make his or her decision consistent with his or her fiduciary duties pursuant to N.J.S.A. 52:18A-89.

#### **8.2.2 NOTICE OF INTENT TO AWARD; PROTESTS**

The Director shall post a Notice of Intent to Award on the DOI website. In the event that the Director determines that all proposals shall be rejected or no award shall be made, the Director shall post a notice of such determination on the DOI website. The DOI website is located at: [www.state.nj.us/treasury/doinvest](http://www.state.nj.us/treasury/doinvest).

A non-successful bidder, within ten (10) business days following the Notice of Intent to Award, may submit a written protest. If a contract award is protested, DOI shall not award the contract in question until a final decision is rendered on the merits of the protest, unless the Director finds that the failure to award the contract will result in substantial cost to the State or that public exigency so requires. In such event, DOI shall notify all interested parties.

Protests must be submitted to the Director, and must concern one or more of the following:

- a) Rejection of the bidder's proposal for failing to meet the minimum qualifications and screening criteria listed in Section 1.4 above. Such protest may not challenge the validity of the requirements or criteria, but rather may assert that its proposal complied with such requirements or criteria; and/or
- b) Notice of intent to award contract(s) to another bidder as part of the same procurement.

A protest shall contain the following:

- a) Identification of the particular procurement;
- b) The specific grounds for challenging the rejection of its proposal or the scheduled contract award, as applicable, including all arguments, materials and/or other documentation that may support the protester's position; and
- c) A statement as to whether the protester requests an opportunity for an in-person presentation and the reason(s) for the request.

The Director has sole discretion to determine if an in-person presentation by the protester is necessary to reach an informed decision on the protest. In-person presentations are fact-finding for the benefit of the Director, who has the discretion to limit attendance at an in-person presentation to those parties likely to be affected by the outcome of the protest.

The Director is entitled to request, receive, and review copies of any and all records and documents deemed appropriate and relevant to the issues and arguments set forth in the protest. Upon receipt of any such request, the bidder shall promptly provide the requested records and documents in the time, place, and manner specified in the request. Failure to do so may constitute a reasonable basis for the Director to resolve the protest against the bidder submitting the protest. The Director may also consider relevant information requested and received from other parties as he or she deems appropriate.

The Director may disregard any protest not containing all of the items set forth above or filed after the 10-day protest period.

The protest shall be resolved by written decision of the Director based on the Director's review of the written record including, but not limited to, the written protest, the terms, conditions and requirements of the RFP, the proposals submitted in response to the RFP, written reports and/or the award recommendation documents, pertinent administrative rules, statutes, and case law, and any associated documentation



deemed appropriate. In cases where no in-person presentation is held, such review of the written record shall, in and of itself, constitute an informal hearing.

The Director may designate someone, from within or outside DOI, to perform a review of the written record and conduct an in-person presentation. In the case of a review or in-person presentation being handled by a reviewer from outside DOI, the determination of such designee shall be in the form of a report to the Director, which shall not be binding on the Director but rather advisory in nature. The protesting party shall receive a copy of the reviewer's report and shall have a period of ten (10) business days to provide written comments or exceptions to the report to the Director.

The Director shall make a final written decision on the protest.

Protests are not contested cases subject to the requirements of the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1. Final agency determinations by the Director on protests are appealable to the Appellate Division of the Superior Court of New Jersey.

## **9.0 CONTRACT ADMINISTRATION**

### **9.1 CONTRACT MANAGER**

The DOI Contract Manager is the DOI employee responsible for the overall management and administration of the Contract, including directing Contractor to perform the work of the Contract and resolving minor disputes between Contractor and DOI.

The DOI Contract Manager for the Contract will be identified when the Contract is awarded. At that time, Contractor will be provided with the DOI Contract Manager's name, address, telephone number, and e-mail address. The DOI Contract Manager is the person that Contractor will contact after the Contract is executed for answers to any questions and concerns about any aspect of the Contract.

**APPENDIX**

**PRICE SCHEDULE**

The Bidder should complete all pages of this Price Schedule. The Bidder should not leave cells blank, but rather utilize “N/C” (No Charge) if applicable.

Refer to RFP Section 3.0 Scope of Work for task requirements and deliverables and RFP Section 5.8 Price Schedule for additional information regarding this Price Schedule.

**PRICE SCHEDULE**  
**Page 1 of 3**

**Primary Consultant**  
**Firm, Fixed Price**

Bidder's Name: \_\_\_\_\_

Refer to [RFP Section 3.1](#) (Scope of Work – Primary Consultant) for task requirements and deliverables, [Section 2.0](#) for a definition of "Firm, Fixed Price" and [Section 5.8](#) (Price Schedule) for additional information regarding this Price Schedule.

RFP Section	Contract Year					
	1	2	3	4	5	
<a href="#">3.1.1 Policy Duties</a>	\$	\$	\$	\$	\$	
<a href="#">3.1.2 Asset Allocation And Portfolio Construction Duties</a>	\$	\$	\$	\$	\$	
<a href="#">3.1.3 Sourcing, Due Diligence, and Negotiation</a>	\$	\$	\$	\$	\$	
<a href="#">3.1.4 Portfolio Monitoring and Reporting</a>	\$	\$	\$	\$	\$	
<a href="#">3.1.5 Training, Education And Client Service</a>	\$	\$	\$	\$	\$	
<a href="#">3.1.6 Operational Duties</a>	\$	\$	\$	\$	\$	Contract Term Total
Year Totals	\$	\$	\$	\$	\$	*\$

\*used for evaluation purposes

**PRICE SCHEDULE**  
**Page 2 of 3**

**Primary Consultant**  
**All-Inclusive Hourly Rate**

Bidder's Name: \_\_\_\_\_

Refer to RFP [Section 3.3](#) (Special Services) for task requirements and deliverables, [Section 2.0](#) for a definition of "All-Inclusive Hourly Rate," and [Section 5.8](#) (Price Schedule) for additional information regarding this Price Schedule.

Contract Year	Senior Consultant / Hour	Junior Consultant / Hour	Support Personnel / Hour
1	\$	\$	\$
2	\$	\$	\$
3	\$	\$	\$
4	\$	\$	\$
5	\$	\$	\$
Extension 1	\$	\$	\$
Extension 2	\$	\$	\$

**PRICE SCHEDULE**  
**Page 3 of 3**

**Secondary Consultant**  
**All-Inclusive Hourly Rate**

Bidder's Name: \_\_\_\_\_

Refer to RFP [Section 3.2](#) (Secondary Consultant) and Section 3.3 (Special Services) for task requirements and deliverables, [Section 2.0](#) for a definition of "All-Inclusive Hourly Rate," and [Section 5.8](#) (Price Schedule) for additional information regarding this Price Schedule.

Year	Senior Consultant / Hour	Junior Consultant / Hour	Support Personnel / Hour
1	\$	\$	\$
2	\$	\$	\$
3	\$	\$	\$
4	\$	\$	\$
5	\$	\$	\$
Extension 1	\$	\$	\$
Extension 2	\$	\$	\$