

REQUEST FOR QUOTES

Multi-Asset Analytics Tool “MAAT”

Date Issue: 10/27/2020

Questions Due: 11/6/2020

Responses Due by: 12/7/2020

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I. PURPOSE AND INTENT

This Request for Quote (RFQ) is issued by the State of New Jersey, the Department of the Treasury, Division of Investment (DOI). The purpose of this RFQ is to solicit bid quotes from firms providing a Multi-Asset Analytics Tool (MAAT) that will allow the Front Office to view intra-period risk analytics and exposures, Total Fund and benchmark performance returns and attributions, and risk statistics at the plan level across all asset classes (both traditional and alternative), as well as conduct pacing analysis and perform analysis on portfolio implications of prospective investments within alternative investments.

The intent of this RFQ is to award a contract to the responsible Bidder whose bid quote conforming to this RFQ is most advantageous to the State, price and other factors considered.

The NJ Standard Terms and Conditions version 4/15/2019 will apply to all contracts or purchase agreements made with the State. These terms are in addition to the terms and conditions set forth in this RFQ and should be read in conjunction with them unless the RFQ specifically indicates otherwise.

II. PROPOSAL SUBMISSION

Submissions should be marked “Multi-Asset Analytics Tool (MAAT)” and must be received by the deadline on the cover sheet.

Proposals must be emailed by the deadline listed on the cover sheet to the following email address:

Gina.Costello@treas.nj.gov

NOTE: In order to be awarded a contract with the DOI, all required forms listed in Subsection 1 of Section XI - Forms, must be completed and submitted with the proposal.

The Bidder’s proposal and all information submitted by Bidders in response to this RFQ 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.

Communications with representatives of the State concerning this request by you or on your behalf are not permitted during the submission and selection processes.

No telephone inquiries will be accepted. All inquiries concerning this request should be directed in writing to: Gina.Costello@treas.nj.gov.

The State will not be responsible for any expenses in the preparation and/or presentation of the proposals and oral interviews or for the disclosure of any information or material received in connection with the solicitation, whether by negligence or otherwise.

The State reserves the right to reject any and all proposals, with or without cause, and waive any irregularities or informalities in the proposals. The State further reserves the right to make such investigations as it deems necessary as to the qualifications of any and all parties submitting proposals. In the event that all proposals are rejected, the State reserves the right to re-solicit proposals.

IV. BACKGROUND

The DOI was created by P.L. 1950, c. 270, which became effective on July 1, 1950. The statute created the DOI and the State Investment Council (“SIC”). An important objective of the statute creating the DOI and the SIC was to centralize all functions relating to purchases, sales or exchanges of securities for the State's diverse funds under experienced and professional management. Later statute also created the Board of Trustees of the Police and Firemen’s Retirement System of New Jersey (the “Board”).

The role of the SIC and the Board is to formulate policies governing the investment of funds by the Director of DOI, and to consult with the Director with respect to the work of the Division. New regulations adopted by the Council and the Board 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 the DOI. The Director is subject to the standards of prudent investment set forth in N.J.S.A. 52:18A-89. As part of the Director’s fiduciary role, the Director retains the power and right to select, monitor, and terminate consultants

when doing so is in the best interest of the State. In making these decisions, the Director may consider many factors, including whether the consultant is complying with applicable statutes and regulations, and whether the consultant is meeting the investment goals and direction established by the SIC, the Board and the Director.

The DOI invests the assets of seven different State pension funds, which totaled approximately \$75 billion as of May 31, 2020. The assets of each pension fund are invested in the Cash Management Fund, Common Pension Fund D (Public Securities), and Common Pension Fund E (Alternative Investments and Global Diversified Credit Investments). In the near future, the Police and Fireman’s Retirement Fund (“PFRS”), one of the seven, will separate and be managed by the DOI as a distinct fund with its own analytics and reporting requirements. As a result, PFRS will maintain legacy interest in Pension Fund E and other investments will be moved to, or made in, newly created funds.

V. SCOPE OF SERVICES

The Contractor should meet the following business requirements:

- Ability to track and reconcile State Street’s official Accounting Book Of Record (ABOR) while also supplying a flexible investment book of record (IBOR) that reflects all intramonth, best-available performance, risk analytics, and exposure calculations at the Total Fund level, as well as composite and portfolio levels;
- ABOR calculation should be able to use multiple methodologies (compound frequency, IRR, TWR) and must be able to use same methodology (book transactions to the same accounts on the same dates, compound at the same frequency, use same performance calculation formulas, number of decimal places, FX conversions, etc.) as State Street in order to provide confidence in reconciliation of ABOR vs. IBOR;
- ABOR and IBOR calculation methodologies should allow for standards that meet the requirements of the CFA Institute’s Global Investment Performance Standards (GIPS);
- Provide lagged (i.e. ABOR) and unlagged (i.e. IBOR) view where the latest market values will be used across all performance and risk analytics;
- Supply a reconciliation report between the investment book of record and accounting book of record at both the position level and composite levels, to include Beginning Market Value, Ending Market Value, Cash

- In-Flows, Cash Out-Flows, Gain/(Loss), and General Ledger impacts, in both local currency and USD;
- Provide automated monthly Alternative Investments (AltDiv) Reporting (see attached example in Appendix 1);
 - Provide data transparency and lineage for confidence in calculated results;
 - Support multiple calculation approaches at the Total Fund, composite, and portfolio levels, as well as benchmarks across consistent valuation treatments, side-by-side:
 - Time-weighted calculations; and
 - Money-weighted calculations.
 - Support multiple index providers (S&P, MSCI, Russell, Cambridge, NCREIF, HFRI, etc.) across broad swath of asset classes (equity, fixed income, real estate, private equity, private credit, hedge funds, etc.);
 - Ability to create custom benchmarks, including ability to use existing composites or individual security positions as inputs into custom benchmarks;
 - Ability to create dynamic benchmark weights based on actual portfolio weights for pre-defined rebalancing time periods (monthly or quarterly)
 - Benchmark comparison analyses, to include performance attribution vs. benchmark and Public Market Equivalents (PMEs) at the Total Fund, composite, and portfolio level against any benchmark, including custom benchmarks;
 - Provide exposure reporting capabilities at the Total Fund, composite, and portfolio level (‘look-through basis’ including portfolio company and holdings level within private market partnerships) that allow users to view the entire fund (both public and private assets) both at a point in time snapshot and over any time series over a range of risk dimensions, and relative to benchmarks, including but not necessarily limited to:
 - By size;
 - By vintage year;
 - By security type (equity, debt, hybrid, etc.);
 - By strategy (buyout, venture, growth, etc.);
 - By parent company;
 - By manager;
 - By geography; and
 - By GICS.
 - Unlimited tagging and mapping capabilities that can be provided at multiple levels (i.e. Asset class, strategy, Fund-of-Fund, Fund, underlying position) and then aggregated;

- Ability for individual users to create on-the-fly compositing at any level of aggregation for any grouping types. And ability to store those either at the individual user level or to share them across the organization;
- Provide flexibility in valuation treatments to support the following:
 - GP stated;
 - Cash adjusted;
 - Benchmark proxy;
 - Estimates; and
 - USD vs. local currency.
- Provide ability to view all investments in a consistent manner, regardless of structure (e.g. limited partnership, commingled, separate accounts);
- Allow user to track investment terms including:
 - Economic terms:
 - Track Net and Gross returns; and
 - Gross MOIC and DPI.
 - Liquidity provision analysis:
 - Investment lock up period;
 - Upcoming investment expiration; and
 - Contract expiration.
 - Governance provision analysis (i.e., veto rights).
- Provide pacing analysis that allows users to adjust assumptions for various rates of contribution by asset class and/or fund, changes in the rate of distribution over time, annual growth rate of Total Fund and underlying net return assumptions by asset class, and captures the portfolio’s historical commitments and unfunded commitments over time. Pacing analysis should be available across a range of risk and exposure dimensions and at Total Fund and composite levels.
- “What-if” analysis - Allow user to input information from prospective fund managers and observe the impact on changing risk exposures and pacing analysis; and
- Deal flow – ability to optionally include committed, unfunded or proposed deals in the what-if analysis.

The Contractor should provide the following technical requirements:

1. General

- System shall be available as a:
 - Vendor hosted SaaS Solution;
 - Vendor hosted ASP solution;
 - Third-party hosted SaaS Solution; or
 - Third-party hosted ASP Solution.

- Support full managed service offerings;
- Functionality is the same for any implementation model (in-house, SaaS, Vendor ASP, third party ASP);
- Upgrades are applied automatically to the environment; and
- Ability to export to MS Excel and Adobe.

2. System Application Architecture

- System supports real-time data distribution and access; and
- User-defined fields/attributes can be added.

3. Integration Architecture

- System supports batch-oriented data integration;
- System supports message-based integration:
 - Publish/Subscribe;
 - Request/Response; and
 - Service-oriented.
- Service orientation capabilities:
 - Allows for specific functions to be exposed as services to external applications; and
 - Can consume services defined in an ESB / service registry.
- Supports real-time APIs to customize application function:
 - SOAP; and
 - REST.
- Offers API's for access by external applications; and
- Capable of invoking external systems' API.

4. System Access and Control

- Application supports secure connectivity for both internal and remote deployment (ASP, SaaS);
- Provides security safeguards to prevent hacker intrusion;
- Users can access dashboard functionality using a mobile device;
- Supports username and password security features:
 - Authorized user/logon ID and password for each user;
 - Ping identity support; and
 - Administrators can define password complexity policies.

5. System Audit Trail

- Audit trail for file maintenance including date and time stamp, user ID, and session detail;
- Ability to produce log of all user activity by ID;
- Ability to generate a detailed report of system activity;

- Support for client-defined audit configuration (types of data to audit, level of detail to maintain, etc.); and
- Support for client-defined audit archiving parameters (when, how much, etc.).

VI. TECHNICAL PROPOSAL

In this section, the Bidder shall describe its approach and plans for accomplishing the work outlined in the Scope of Work section, i.e., Section V – Scope of Services. The Bidder must set forth its understanding of the requirements of this Bid quote and its approach to successfully complete the Blanket P.O. The Vendor {Bidder} should include the level of detail it determines necessary to assist the evaluation committee in its review of the Bidder’s Quote.

1. Executive Summary:
Provide an executive summary of not more than three pages identifying the firm’s approach and plans to provide the requested services and substantiating why the firm is best qualified to provide the requested services. Please address what it is that the firm offers to the State that competing firms cannot.
2. Experience with contracts of similar size and scope
The Bidder shall provide a comprehensive listing of contracts of similar size and scope that it has successfully completed, as evidence of the Bidder’s ability to successfully complete services like those required by this Bid quote. Emphasis should be placed on contracts that are similar in size and scope to the work required by this Bid Solicitation, in particular other U.S. public pension plans. A description of all such contracts should be included and should show how such contracts relate to the ability of the firm to complete the services required by this Bid Solicitation. For each such contract listed, the Vendor {Bidder} should provide two (2) names and telephone numbers of individuals for contracting party. Beginning and ending dates should also be given for each contract.
3. Describe how multiple books of record are maintained in your system (e.g. official book of record, intraday book of record with best-available information);
4. Describe the ex-post risk calculations offered by your system;
5. Describe the sources of private and public market data (e.g. exposures) that can be integrated with your system, including index providers and

their indices;

6. Describe your system’s support for flexible, configurable dashboards that depict exposure information;
7. Describe your system’s capabilities for viewing the entire portfolio holistically;
8. Describe any flexibility in valuation treatments to support GP stated, cash adjusted, benchmark proxy, estimates, and other valuations;
9. Describe any alerting capabilities for scheduled jobs (such as data loads) that have failed to run correctly;
10. Describe any tools or wizards available to help users create new report templates;
11. Describe any mobile capabilities for accessing the system remotely;
12. Describe how data is sourced during implementation (e.g. mapping templates);
13. Describe the ongoing service, support, and training provided to individual users;
14. Describe the managed services you offer to your clients (related to business process support for fund administration, accounting, cash management, data management, reporting, etc.);
15. Describe which functionality the user is able to customize and any limitations on such customization (e.g. limits on number of custom composites or custom benchmarks that can be created, etc.);
16. Describe capabilities to project cash flows and sector and geographical exposures (i.e. pacing analysis) at the Total Fund and composite (i.e., private markets) level out multiple years;
17. Describe capabilities to stress test the portfolio given different scenarios;
18. Describe the What-If Analysis process for incorporating potential trades, private market deals, co-investment opportunities, etc. into the risk analysis and pacing reporting. Describe how hypothetical results are accounted for within the system for this type of What-If Analysis so that integrity of the data (e.g. lagged or unlagged positions, metrics) is

not compromised;

19. Describe any capabilities for supporting the deal flow pipeline process and tracking multiple statuses of private market deals under consideration, committed or unfunded:
 - a. Describe the support available for managing all the related contracts and documents;
 - b. Describe the process for optionally including deals in the pipeline in various reports; and
20. Describe the data verification process and how frequently data would be refreshed from State Street;
21. Describe the training process for users and ongoing support once implementation has been completed.;
22. Describe capabilities to include tags for brokers, external managers, and Private Market GPs for MWBE ownership amounts, ESG and Responsible Contractor Policy;
23. Describe how data is being maintained and stored. At the conclusion of this contract, describe how NJ’s data will be transferred back to DOI or a new Vendor {Bidder};
24. Describe how NJ’s data will be secured from security breaches or cyber-attacks;
25. Provide the name and address of the firm, the name, telephone number, fax number, and e-mail address of the individual(s) responsible for the preparation of this proposal who may be contacted in the event of questions or notification, and the location of the office, if other than that shown above, at which the services to be provided hereunder will be performed;
26. Submit a Price schedule in the form attached detailing the fees for each of the applicable line items listed; and
27. Submit all documents that the Contractor will require DOI to execute with respect to this contract.

VII. SELECTION PROCESS

All proposals will be reviewed to determine responsiveness. Non-responsive proposals will be rejected without evaluation. Responsive proposals will be evaluated by an Evaluation Committee. The following evaluation criteria categories, separate or combined in some manner, and not necessarily listed in order of significance, will be used to evaluate proposals received in response to this RFQ.

- The firm’s approach and plans to perform the services required by the Scope of Services contained in this RFQ.;
- The firm’s documented experience in successfully completing contracts of similar size and scope to the services required by this RFQ;
- The qualifications and experience of the firm’s personnel assigned to the engagement, with emphasis on documented experience in successfully completing work on contracts of similar size and scope to the services required by this RFQ;
- The overall ability of the firm to mobilize, undertake and successfully complete the contract; and
- The firm’s cost proposal.

VIII. FEES:

Prices shall remain in effect for the duration of the term of the contract and for any mutually agreed upon contract extensions. The State reserves the right to negotiate final price with the Contractor selected to provide the requested services.

IX. TERM

The initial term shall be no longer than three (3) years commencing upon contract award. The term may be extended by up to two (2) additional one-year (1) periods, by the mutual written consent of the Contractor and the DOI, at the same terms, conditions, and pricing at the rates in effect at the end of the last year of the Contract or rates more favorable to the DOI.

X. FIRM SELECTION AND CONTRACT

The State will select the proposal(s) deemed most advantageous to the State, price and other factors considered.

The contract between the DOI and the firm(s) shall be comprised of this RFQ, any clarifications thereof, the firm(s) response thereto, any changes negotiated by the parties and the documents listed in Section XI Forms. Such contract can only be modified in writing, signed by the parties.

XI. FORMS

1. Forms Required with Proposal

The documents listed below must be completed and submitted with the bid proposal.

- a. Cover Letter
- b. Ownership Disclosure Form
- c. Disclosure of Investment Activities in Iran
- d. Disclosure of Investigations and Other Actions Involving Bidders
- e. Subcontractor Utilization Plan
- f. All contracts and documents which the Contractor requires the DOI to execute.

Forms Required Before Contract Award

The documents listed below must be completed and submitted prior to contract award.

- g. Waivered Terms and Conditions for Services Contracts
- h. Source Disclosure Certification Form
- i. MacBride Principles and Northern Ireland Act of 1989
- j. Affirmative Action Employee Information Report
- k. Chapter 51 Certification and Disclosure Form
- l. Contractor Certification - Public Law 2005, Chapter 271
- m. Set-Off for State Tax
- n. Proof of Liability Insurance Certificate
- o. NJ Business Registration

Forms can be downloaded from the Department of Treasury website:

XII. MISCELLANEOUS

Notice to Bidders and Contractors Regarding P.L. 2012, c. 4.

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

“Organ and Tissue Donation: As defined in section 2 of P.L. 2012, c. 4 (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.

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 RFQ Section V, Scope of Services for what this price schedule refers to.

Price Schedule

Bidder Name: _____

Total Yearly Firm Fixed Price for Completing Scope of Services as Noted for Initial 3-year Contract Period:

Year One: \$ _____

Year Two: \$ _____

Year Three: \$ _____

Totally Yearly Firm Fixed Price for Completing Scope of Services as Noted for Additional Years 4, 5 and 6:

Year Four: \$ _____

Year Five: \$ _____

Optional Services Offerings

Service: _____

Description: _____

Price: \$ _____

Service: _____

Description: _____

Price: \$ _____

Service: _____

Description: _____

Price: \$ _____

*Attach additional Services/Descriptions as needed