

**REQUEST FOR PROPOSALS**

**INVESTMENT ADVISERS FOR  
HIGH YIELD FIXED INCOME**

**RFP ISSUE DATE:           OCTOBER 18, 2021**

**QUESTIONS DUE:           NOVEMBER 9, 2021  
BY 3:00 PM EASTERN TIME**

**PROPOSALS DUE:           NOVEMBER 30, 2021  
BY 3:00 PM EASTERN TIME**

**SHOAIB KHAN, ACTING DIRECTOR  
DIVISION OF INVESTMENT  
PO Box 290  
TRENTON, NEW JERSEY 08625-0290  
<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 Advisers for the High Yield Fixed Income (“HY”) portfolios of the Pension Fund. The purpose of this Request for Proposals (“RFP”) is to obtain proposals from qualified HY Investment Advisers to provide non-discretionary, asset class investment advice to the DOI for the benefit of the various pension funds it manages. Such advisers shall have the demonstrated skills, expertise and resources to advise DOI in this asset class.

The intent of this RFP is to award multiple contracts to those responsible bidders whose proposals, conforming to this RFP, have successfully demonstrated the skills, expertise and resources to effectively fulfill the requirements herein and are most advantageous to the State, price and other factors considered. The State, however, reserves the right to separately procure individual requirements that are the subject of the contract during the contract term, when deemed by the Director to be in the State’s best interest.

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

### **1.2 SEARCH OBJECTIVES**

DOI seeks proposals from bidders that can provide investment strategies within the HY asset class. Permissible HY investments can include global debt obligations, global diversified credit investments, non-convertible preferred stocks, foreign currency transactions, and futures contracts defined in and subject to the limitations set forth in the applicable New Jersey State Investment Council Regulations (N.J.A.C.17:16-12, 23, 40, 69, 81 82, 83, 84, and 85). Advisers will have the ability to include certain non-U.S. dollar-denominated (USD) securities in their strategies if they so choose (including corporate obligations, and non-convertible preferred stocks), but the overall benchmark will be USD corporate HY-based. The DOI will set maximum non-USD exposure for each selected strategy.

It is DOI’s intention to award contracts to Investment Advisers based on their unique expertise within the HY asset class. It is anticipated that DOI will award up to five or six (5 or 6) contracts to HY Investment Advisers with a variety of complementary investment styles and strategies. The DOI is not limited to a specific structure or allocation based upon, sector, industry, duration and convexity, quality, active, passive, country, region, or other factors. The utilization and allocation to the selected Investment Advisers may change over time depending on market considerations and the Investment Advisers’ expertise and resources. DOI encourages qualified bidders with a single strategy to bid as well as bidders classified as Woman-Owned, Minority-Owned or Veteran-Owned Business Enterprises. DOI will determine which contractor(s) is (are) best equipped to provide

advice regarding these portfolios based on the responses to this RFP. Specific allocations to individual strategies within each asset class, including allocations to sectors and to specific advisers, shall be based on legal and market considerations and desired portfolio construction as determined by DOI. DOI may make requests to increase/reduce positions based on the overall Pension Fund fixed income portfolio. For example, an advisor portfolio may be equal weight to the benchmark (in issuer weight, duration weight, sector weight, etc.) but the entire portfolio may be over/underweight and allocation requests may be made accordingly (in consideration of the entire portfolio).

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

For Fiscal Year 2022, DOI expects to allocate approximately 2.0% of total Pension Fund assets to HY securities. It is anticipated that advisers will provide non-discretionary investment advice on up to 70% of the Pension Fund's HY exposure.

The primary benchmark to be used by DOI for measuring performance for HY shall be the Bloomberg Barclays U.S. Corporate 2% Issuer Constrained High Yield Index. The DOI retains the ability and discretion to modify the benchmark as needed to properly capture the asset class return profile.

DOI's objective is to achieve gross of fee rates of return ranking at or above the median of an appropriate universe or style peer group of investment strategies over rolling three-year and five-year periods, and risk-adjusted, net of fee rates of return exceeding the appropriate index over rolling three-year and five-year periods.

DOI's global custodian will maintain and hold custody of each adviser's designated portfolio(s) as a separate subaccount ("Account"). No commingled fiduciary trust structures will be permitted.

It is anticipated that the term for the contracts awarded will be three (3) years. There will be a provision to extend the term for up to three (3) additional one-year periods beyond the initial term upon mutual agreement of the parties.

The State of New Jersey Standard Terms and Conditions (Rev. 4/27/2021) (the "Standard Terms & Conditions"), as supplemented by the Waivered Contracts Supplement to the State of New Jersey Standard Terms and Conditions (Rev. 6/14/2018) (the "Waivered Contracts Supplement") and modified in Section 6.15, 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.nj.gov/treasury/purchase/forms/StandardTermsandConditions.pdf>

The Waivered Contracts Supplement is available online at:

<https://www.state.nj.us/treasury/purchase/forms/Waiver%20Supplement%20to%20Standard%20Terms%20and%20Conditions.pdf>

### **1.3 BACKGROUND**

The DOI and the SIC were created by P.L. 1950, c. 270. An important objective of the statute 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-831. 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 appointments 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.

All members serve until reappointed or a successor is named and has qualified.

The role of the SIC is to establish the policies it deems necessary or proper, which govern the methods, practices and procedures for investment to be followed by the DOI. New regulations adopted by the SIC 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 the DOI (the "Director"). 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 and the Director.

The DOI invests the assets of seven State pension funds (collectively, the “Pension Fund”), which totaled approximately \$94.4 billion (unaudited) as of June 30, 2021. The assets are primarily managed through three common pension trust funds, Common Pension Fund A, Common Pension Fund D and Common Pension Fund E (the “Common Pension Funds”). Common Pension Fund D invests primarily in global equity, fixed income, and certain derivative securities. Common Pension Fund A and Common Pension Fund E invest primarily in alternative investments, which include private equity, real estate, real asset, and absolute return strategy funds, and global diversified credit funds. In addition to the Pension Fund, DOI is responsible for managing the Supplemental Annuity Collective Trust (SACT), a portion of NJBEST (the State’s 529 plan) and a portion of the Deferred Compensation Plan (DCP), all of which invest in equities. Permissible securities are governed by the SIC Regulations (N.J.A.C. 17:16).

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

Investments in fixed income markets must comply with, among other laws and regulations, N.J.A.C. 17:16-12 (Global Debt Obligations), N.J.A.C. 17:16-23 (Global Diversified Credit Investments), N.J.A.C. 17:16-40 (Non-Convertible Preferred Stocks), N.J.A.C. 17:16-69 (Common Pension Funds), N.J.A.C.17:16-81 (Foreign Currency Transactions),N.J.A.C. 17:16-82 (Futures Contracts), Swaps (N.J.A.C. 17:16-83), Covered Call Options (N.J.A.C. 17:16-84) and Put Options (N.J.A.C. 17:16-85). The regulations, which are subject to change from time to time, can be found on DOI’s website at <http://www.state.nj.us/treasury/doinvest>. DOI maintains a list of companies ineligible for New Jersey investment under three state laws: a Sudan divestiture law adopted in 2005, an Iran divestiture law adopted in 2007, and an Anti-BDS divestiture law adopted in 2016. DOI utilizes an independent research firm to assist it in complying with the provisions of the statutes, and will periodically issue updated lists of companies ineligible for investment to the advisers.

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

- 1.4.1** The bidder must have at least a five (5) year history of investing in the HY asset class. Key members of the bidder’s investment team must have on average at least a seven (7) year history of investing in the asset class.
- 1.4.2** Reported investment performance must be GIPS-compliant if porting a track record over from a prior firm.
- 1.4.3** The firm-wide assets under management must be at least \$1 billion.
- 1.4.4** The product/strategy-specific assets under management must be at least \$750 million. The Asset Class group must have at least \$250 million in capacity available for advisement at the time the Investment Adviser Agreement is executed. The assets which are advised on for DOI cannot comprise more than 35% of the bidder’s product-

specific assets under management or advisement, or more than 20% of the bidder's total assets.

- 1.4.5** The bidder must have competitive absolute and risk-adjusted performance on a net-of-fee basis relative to the appropriate benchmark and peer group.

Additional screening criteria to be considered may include, but are not limited to: competitiveness of fees relative to other similar products and strategies; structural fit within the Division's investment program and systems; adequate supporting resources, including personnel and global, regional or country presence where appropriate; and the use of explicit risk assessments both within the portfolio construction methodologies as well as outside the fundamental operating risks of the company at both the individual security and aggregate portfolio level. Products or strategies may be eliminated for a variety of other reasons including, but not limited to the following: excessive product assets under management, recent loss of one or more key team members; limited experience in working with institutional investors; rating, opinion, or assessment by DOI's independent investment consultant; predominantly retail assets in the proposed strategy; unwillingness or inability to comply with Investment Parameters; unwillingness to work collaboratively with Division staff to share information and knowledge; inability to comply with the approval/rejection process established by the DOI for investments and corporate actions; uncompetitive fees; and historical performance inconsistent with expectations.

## **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 [Robyn.Kirkland@treas.nj.gov](mailto:Robyn.Kirkland@treas.nj.gov) or [Queeniqueka.Parish@treas.nj.gov](mailto:Queeniqueka.Parish@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 email, other than through the email 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, [www.state.nj.us/treasury/doinvest](http://www.state.nj.us/treasury/doinvest) (see RFP Section 1.6 for further information).



### **1.5.2 DEADLINE FOR SUBMISSION OF PROPOSALS**

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.

### **1.5 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 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>.

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

### **1.6 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.

### **1.7 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.

### **1.8 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 commonlaw, when the bidder has a good faith legal and/or factual basis for suchassertion. 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 will 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.

### **1.9 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 initialedshall 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 beevaluated.

### **1.10 WITHDRAWING PROPOSALS**

A bidder 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.

### **1.11 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 the Treasury, Division of Revenue prior to the award of a contract. Refer to Section 8.1.6 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 DOI.

**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, and the bidder's proposal submitted in response to this RFP, the bidder's Best and Final Offer, and the Investment Adviser Agreement.

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

**Director** – The Director of DOI or Acting Director if a Director has yet to be named.

**Division (DOI)** – The State of New Jersey, Division of Investment.

**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.

**Investment Policy Committee** – The Investment Policy Committee of the State Investment Council.

**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.

**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.

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

**Standard Terms & Conditions** – State of New Jersey Standard Terms and Conditions (Rev. 04/27/2021) which are available online at:

<https://www.nj.gov/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** – The State of New Jersey.

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

**Subcontractor** – An entity having an arrangement with a Contractor, whereby the Contractor uses the products and/or services of that entity to fulfill some of its obligations under its State contract, while the 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 Contractor.

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

**Waivered Contracts Supplement** – Waivered Contracts Supplement to the State of New Jersey Standard Terms and Conditions (Rev. 6/14/2018) which is available online at:

<https://www.state.nj.us/treasury/purchase/forms/Waiver%20Supplement%20to%20Standard%20Terms%20and%20Conditions.pdf>

All references in the Waivered Contracts Supplement 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 Waivered Contracts Supplement to the Division of Purchase and Property shall for this RFP be references to DOI.

## **2.2 CONTRACT-SPECIFIC DEFINITIONS**

**Active Strategies** – Strategies that involve active security selection recommendations, managed with a significant degree of tracking error, or active risk, relative to a market capitalization weighted benchmark.

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

**Designated DOI Liaison** – A DOI employee designated by the Director to work with Contractor in connection with approving trades and corporate actions, voting proxies, and responding to legal actions.

**DOI Directives** – Oral or written investment direction provided by the Director or his or her authorized designee regarding investment direction for the portfolio for which Contractor is providing investment advice.

**HY** – High Yield Fixed Income.

**Investment Adviser (IA)** – Investment manager acting in an advisory capacity to the DOI

**Investment Adviser Agreement** – an agreement entered into between the Contractor and DOI covering the services to be provided by the Contractor pursuant to this RFP.

**Investment Parameters** – All applicable laws, regulations, policies and procedures, including amendments thereto.

**Investment Strategy (Strategy)** – The plan or method an Investment Adviser employs to achieve its investment goals or results within a given market. Examples include fundamental, bottom-up, top-down and relative value. May also refer to a particular product focus, such as Higher Quality High Yield.

**Market or Asset Class** – A broad investment opportunity set, such as High Yield Bonds and Municipal Bonds. For the purposes of this RFP, these may also be referred to as “asset classes.”

**Market or Asset Class Benchmark** – An index of securities deemed to be representative of the investment opportunities within a given market or asset class. Examples include the Bloomberg U.S. Corporate High Yield Index and the Bloomberg USD Liquid Investment Grade Index.

**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).

**Pension Fund** – the aggregate of the Pension Plans and the Common Pension Funds.

**State Investment Council (Council or SIC):** A board whose role is to establish the methods, practices, and procedures it deems necessary or proper to govern the investment activities of DOI.

### **3.0 SCOPE OF WORK**

While the Contractor shall work closely with the IPC, the SIC, the Director, Deputy Director of DOI, and other staff, the Contractor shall report to the DOI Contract Manager, unless otherwise noted. All requests referenced in this RFP shall be considered to be from the DOI Contract Manager and all written deliverables shall be to the attention of the DOI Contract Manager, unless otherwise noted. The Contractor shall serve in a fiduciary capacity without qualification. In all cases, the Contractor and its employees shall offer advice to DOI solely in the interest of the Pension Plan participants.

#### **3.1 INVESTMENT PARAMETERS AND DOI DIRECTIVES**

- 3.1.1** Contractor shall strictly adhere to all applicable Investment Parameters and DOI Directives, as such terms are defined in the RFP, including but not limited to N.J.A.C. 17:16-12, 17, 23, 40, 69 81, 82, 83, 84, and 85 and other investment objectives and performance standards provided to Contractor by DOI. Contractor shall report to DOI monthly on compliance with the Investment Parameters and DOI Directives and report violations immediately.

#### **3.2 PROVISION OF INVESTMENT ADVICE**

- 3.2.1** Contractor shall provide investment advice on security selection, portfolio construction, new issuance, and risk management. Contractor shall provide such advice for the Account(s) within all applicable Investment Parameters and DOI Directives and will act in good faith and with due diligence.
- 3.2.2** Contractor shall execute trades on behalf of DOI; provided, however, that Contractor shall obtain approval of trades from the Designated DOI Liaison(s)

(as identified upon contract award) before any trades can be executed. It is the intent of DOI to turn around trade approvals as quickly as is practical. It is anticipated that Contractor shall provide, at a minimum, a daily list of proposed trades to the Designated DOI Liaison(s) by e-mail (in a format agreeable to DOI) or other method specified by DOI, no later than 2 P.M. prevailing Eastern Time on each Business Day. The list shall include, at a minimum, the name and amount of any securities, the ticker and/or issuer name and comments for trade rationale (if applicable). Upon receipt, the Designated DOI Liaison(s) shall review the list of proposed trades and shall make its best effort to notify Contractor by e-mail whether such trades have been approved, put on hold pending further review, or rejected by close of business the same Business Day. As used herein, "Business Day" shall mean any day other than a Saturday, Sunday or other day on which DOI is authorized or required by law to be closed.

- 3.2.3** At the end of each Business Day or by the opening of the next Business Day, Contractor shall provide electronically a summary of executed trades to the Designated DOI Liaison(s), including, but not limited to, the name and amount of any securities bought or sold, trade date, settlement date, currency, CUSIP, ticker and/or issuer name, and the price at which such purchases or sales occurred, in a format agreeable to DOI. Upon receipt, the Designated DOI Liaison(s) shall review the summary of executed trades to confirm that such trades have been approved. If a discrepancy is found, DOI will request an explanation of the trade, which shall be provided immediately.
- 3.2.4** Contractor will provide advice to the Designated DOI Liaison(s) on the exercise of rights, options, warrants, conversion privileges, and redemption privileges, and the tender of securities pursuant to a tender offer ("corporate actions") as promptly as possible after Contractor has received request for such advice from DOI. Contractor shall not vote securities in the portfolio in response to proxies or corporate actions solicited by the issuers or their agents of such securities. Contractor will take no action with respect to legal actions (such as class action suits and bankruptcies) pertaining to assets in the portfolio. However, Contractor will provide advice with respect to such proxies, corporate actions and legal actions as DOI may reasonably request. The Designated DOI Liaison(s) will review the recommendation(s) and inform Contractor what actions have been taken or voted as appropriate. Under no circumstances shall Contractor execute any legal agreement (including, but not limited to, Brokerage Agreements, Option Agreements, Futures Agreements, Margin Agreements, ISDAs or agreements in connection with the Dodd-Frank Act) on DOI's behalf.
- 3.2.5** DOI is exempt from income tax in the United States and various foreign countries. Contractor shall assist DOI in maximizing its tax benefits, through either relief at source or tax reclaims. Contractor will provide advice with respect to such foreign tax requirements as DOI may reasonably request.

- 3.2.6** Contractor shall provide advice with respect to applicable foreign ownership reporting requirements in each applicable market, shall notify DOI regarding the purchase, ownership and sale of securities to ensure that the Division files such reports by the required deadlines, and shall assist DOI in acquiring and filing the required forms.
- 3.2.7** DOI on occasion may have queries regarding the HY or other fixed income markets or security specific questions in this genre. It is expected that Contractor will make a best effort to reply to these queries (or advise DOI of its inability to answer a specific query) and provide advice or expertise.

### **3.3 EVALUATION OF PERFORMANCE**

The following standards shall be used as guidelines for the evaluation of the investment performance of Contractor. DOI intends to take a quantitative and qualitative approach in assessing the ability of Contractor to generate superior risk-adjusted performance.

- 3.3.1** Competitive gross of fee rates of return ranking at or above the median of an appropriate universe or style peer group of investment advisers over rolling three-year and five-year periods.
- 3.3.2** Risk-adjusted, net of fee rates of return exceeding the appropriate DOI benchmark (excluding any securities in which DOI is prohibited, by law or regulation, from investing) over rolling three-year and five-year periods.
- 3.3.3** Generally accepted performance measures and performance attribution including, but not limited to, standard deviation of return, information ratio, Sharpe ratio, Attribution Analysis, and various other measures of systemic and non-systemic risk will be used as appropriate to the analysis.

### **3.4 REPORTING PROCEDURES**

- 3.4.1** Contractor shall prepare a monthly report to be delivered on a schedule established by DOI that includes those items requested by DOI. These reports may cover, but shall not be limited to, any changes in the account, portfolio monthly statement of position, recent performance of the portfolio, as well as an analysis of the performance of the portfolio relative to DOI's stated benchmark. The performance report must include 'gross of fees' as well as 'net of fees'. DOI may request reports on other matters from time to time.
- 3.4.2** Contractor shall provide a detailed written review to DOI on a quarterly basis or more often as DOI deems appropriate, and provide DOI in a timely fashion with a completed quarterly template provided by DOI, and at least one annual presentation in DOI's Trenton office, describing the investment advisory



process employed for the portfolio under Contractor's responsibility, an analysis of the major changes that have occurred in the investment markets and in the portfolio in particular since the last report, and an analysis of what benefited or detracted from the period's return. Contractor shall also provide a summary of the key characteristics of the portfolio, the current investment strategy and forward outlook for the portfolio, and a response to any other related issues as requested by DOI.

**3.4.3** Contractor shall monitor compliance with State laws, regulations, policies, and procedures, and report thereon. Violations must be reported immediately to DOI's Compliance Officer.

**3.4.4** Contractor shall monitor compliance with foreign ownership reporting thresholds, and assist DOI in acquiring and filing the required forms by the statutory deadlines.

**3.4.5** On an annual basis for the term of the Contract, Contractor shall provide DOI with a copy of its audited financials and Service Organization Control Report (SOC 1 Report).

**3.4.6** Contractor shall advise DOI immediately and in writing if any of the following events occur within Contractor's organization:

- A loss of one or more key people on the management team for the advised mandate.
- A significant change in investment advisory philosophy or portfolio structure.
- A new investment adviser representative on DOI's account.
- A change in ownership or control (whether through acquisition, disposition, spin-off, merger, consolidation or otherwise) or in business focus of the Contractor.
- A substantial loss of assets due to client terminations (not market losses), including but not limited to a loss equal to 10% or more of product-specific or firm-wide assets.
- Any other event or legal action which could be judged or deemed to adversely impact to a significant degree the operations, integrity or financial position of the Contractor or its principals.

### **3.5 SECURITIES LENDING**

**3.5.1** DOI has a securities lending program. DOI's lending agent is responsible for managing the program and complying with its guidelines. Contractor shall work with DOI and DOI's lending agent in conjunction with the securities lending program.

**3.5.2** Contractor shall comply with SIC regulations and applicable DOI directives

regarding DOI's securities lending program.

### **3.6 TRADING AND COMMISSIONS**

- 3.6.1** In carrying out DOI's investment decisions, Contractor is required to conduct its trading practices in a manner consistent with the terms of this RFP and its fiduciary duties.
- 3.6.2** All trading is to be performed on a "best execution" basis, that is, execution that achieves the best net result when considering all factors.
- 3.6.3** Best execution basis also applies to currency transactions. Contractor shall be expected to execute substantially all currency transactions in house or be willing to execute through a third party to achieve the lowest possible execution cost. Counterparties are limited to those with which DOI has directly executed ISDA and Dodd Frank Protocol Agreements. The DOI does not currently have any executed ISDA agreements in place. A list of counterparties with which DOI has executed Dodd Frank Protocol Agreements will be provided upon contract award.
- 3.6.4** Contractor may trade securities through an affiliated broker only if it has received prior written authorization to do so, and only if such trade is on a best execution basis.
- 3.6.5** Contractor's Policies and Procedures for broker-dealer selection must meet with the approval of DOI. Further, DOI reserves the right to refuse trading authority to specific broker-dealers who do not meet DOI policy standards. All changes to Contractor's policies and procedures are required to be submitted by Contractor to DOI for approval prior to implementation with respect to the Account. Contractor shall disclose to DOI any "soft dollar" arrangements with brokers.
- 3.6.6** Adviser shall transmit all trades to DOI's custodian on trade date (see Section 3.7)

### **3.7 INVESTMENT ADVISER RECONCILIATION PROCESS**

DOI values its portfolios daily and calculates a daily net asset value (NAV) for the Common Pension Funds. Therefore, inquiries made by DOI's custodian on trade related issues should be researched and responded to promptly and every attempt should be made to resolve the issue within 24 hours to ensure proper settlement and valuation.

The deadline for all trades to be reported to DOI's custodian electronically is trade date by 3:30 PM Eastern Time. For same day settlement trades, the deadline is 10:30 AM Eastern Time. Reconciliation requirements are as follows:

### 3.7.1 POSITIONS

- Intra-month positions and transactions are available online daily. Contractors must verify that their positions reconcile with the records of DOI's custodian daily during the month. Any discrepancies must be brought to the attention of DOI and DOI's custodian immediately.
- Unaudited month-end positions will be available on-line on the 1st business day after month-end. Contractors must verify that their positions reconcile with the records of DOI's custodian, and bring any discrepancies to the attention of DOI and DOI's custodian by close of business on the 3rd business day of each month. Reconciliations should be delivered to DOI and DOI's custodian via electronic mail.

### 3.7.2 PRICING

- Upon request, Contractor shall provide a price for a particular security in the portfolio.
- Contractor shall respond to intra-month pricing requests within 24 hours of the request.
- Contractor shall provide a reconciliation of month-end pricing and positions to DOI's custodian by the end of the 3rd business day of the following month in order to facilitate a timely and accurate month-end valuation.
- Reconciliation of month-end pricing and positions should be provided via electronic mail. Contractor should also include a total market value and the reason for any differences.
- Total NAV differences of more than 20 basis points will not be accepted without supporting documentation.
- Any additional items identified after the 5th business day of the month will be addressed on a current month basis.
- Contractor shall ensure that all responsible individuals are aware of these procedures and that proper coverage is in place in the event of vacations or turnover. Strict adherence to these timeframes is critical to ensure accurate daily unitization.

## 3.8 TECHNOLOGICAL REQUIREMENTS

- 3.8.1 Contractor shall have the ability to direct a data feed to DOI's custodian and possibly Bloomberg. This includes transmitting trades to the custodian on trade date and performing daily and weekly reconciliations with the custodian.
- 3.8.2 **The daily delivery of pre-trade advice for approval and post-trade summary reports are currently being done by e-mail utilizing Excel spreadsheets. This process may be placed into an integrated internet environment utilizing Bloomberg or other Order Management Systems. It is anticipated that Contractor**

will work with DOI to facilitate the timely upgrade of this process as required by DOI.

#### **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 copies of those URL pages are also provided.

##### **4.2 PROPOSAL SUBMISSION**

Proposal 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.

The bidder must submit the following proposal copies to DOI:

- **One (1) complete ORIGINAL proposal clearly marked “ORIGINAL”.**
- **Ten (10) 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 with the following:  
**For the proposal and word type documents:** in an editable MS Word or “writable” PDF file format on disc (CD or DVD) portable USB drive for redaction.

**For Spreadsheets:** in Excel format using the templates provided. Excel files must be saved as editable Excel files, not saved as PDF files.

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.

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

**Attn: Robyn Kirkland or Queeniqueka Parish  
State of New Jersey Department of the Treasury  
Division of Investment  
50 West State Street, 9th Floor  
Trenton, NJ 08608**

If using the U.S. Postal Service (regular or express) mail to:

**Attn: Robyn Kirkland or Queeniqueka Parish  
State of New Jersey Department of the Treasury  
Division of Investment  
50 West State Street, P.O. Box 290  
Trenton, NJ 08625-0290**

Bidders using the U.S. Postal Service should allow additional time since the U.S. Postal Service does not deliver directly to DOI.

The bidder should also submit electronic proposals to the following e-mail address:

**[Robyn.Kirkland@treas.nj.gov](mailto:Robyn.Kirkland@treas.nj.gov) or  
[Queeniqueka.Parish@treas.nj.gov](mailto:Queeniqueka.Parish@treas.nj.gov)**

The bidder must submit the following proposal copies to DOI's Consultant:

- **Three (3)** complete and exact copies clearly marked "COPY."
- **One (1) complete and exact ELECTRONIC copy** 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 on disc (CD or DVD) or portable USB drive.

**For proposal and word type documents:** in an editable MS Word or "writable" PDF file format on portable USB drive.

**For the Spreadsheets:** in Excel format using the templates provided. Excel

files, must be saved as editable Excel files, not saved as PDF files.

**DELIVER TO DOI'S CONSULTANT** at the following address:

**Attn: Aaron Birman**  
**RVK, Inc.**  
**1211 SW 5<sup>th</sup> Avenue, Suite 900**  
**Portland, OR 97204**

### **4.3 PROPOSAL ORGANIZATION**

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

- **VOLUME 1**  
Section 1 - Forms (Sections 4.5 and 4.6)  
Section 2 – Price Schedules (Section 5.19)
- **VOLUME 2**  
Section 1 - Technical Proposal (ALL of Section 5 except for Section 5.19)  
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 (see below link to obtain the form) the Ownership Disclosure Form. A current completed Ownership Disclosure Form must be received prior to or accompany the proposal.

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

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

The bidder shall provide a detailed description of any investigation or 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 Disclosure of Investigations and Other Actions Involving Bidder form (see below link to obtain the form) for this purpose.

<https://www.nj.gov/treasury/purchase/forms/DisclosureofInvestigations.pdf>

#### **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 by obtaining the link below.

<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 Disclosure of Investment Activities in Iran form (see below link to obtain the form) for this purpose.

<https://www.nj.gov/treasury/purchase/forms/DisclosureofInvestmentActivitiesinIran.pdf>

### **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 awarded 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.

The bidder should 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 Source Disclosure Certification form (see link below to obtain form) for this purpose.

<https://www.nj.gov/treasury/purchase/forms/SourceDisclosureCertification.pdf>



## **5.0 TECHNICAL PROPOSAL**

In this section, the bidder shall describe its approach and plans for accomplishing the work outlined in the 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 shall 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**

Provide a summary statement of no more than three (3) pages stating why the bidder's proposal is most able to provide the services listed herein to the DOI.

The summary should address the 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.

Please provide information in table 5.1.

### **5.2 IMPLEMENTATION PLAN AND CONTRACT MANAGEMENT**

- 5.2.1** Provide a time table for implementation of the contract beginning with the date of notification of contract award. At a minimum, this should address the timeframes for setup of daily communication; pre- and post- trade interfaces; reconciliations, set-up and interfaces; and the proposed time necessary to fully invest approximately \$250 million.
- 5.2.2** Describe the bidder's plan to communicate with the DOI including, but not limited to, communication with the DOI Contract Manager and Designated DOI Liaison(s), status meetings and status reports.
- 5.2.3** Describe the bidder's plan for the use of subcontractor(s), if any, on this contract. Emphasis should be on how any subcontractor identified will be involved in the mobilization and implementation plan.

### **5.3 ORGANIZATION**

- 5.3.1** Provide a brief history of the bidder and its operation with the most important milestones. Include the year formed, ownership structure, as well as any ownership changes within the past five years. Who were the founders of the bidder and are they

still active? Are there any pending plans for ownership changes? Describe any joint ventures or affiliations, including any ownership the bidder or any entity under its control may hold in partnerships and/or other investment firms. Does the bidder conduct any business other than investment management and/or advisory services? State the nature of those other businesses.

- 5.3.2** If another company owns some portion of your entire firm, what percentage of the parent company's revenue does your firm contribute? Please indicate how the percentage of revenue has changed over the life of the arrangement.
- 5.3.3** Provide the bidder's mission statement.
- 5.3.4** Identify the bidder's total number of employees. Please provide a summary of the classifications within the firm and the totals for each classification (i.e. portfolio managers, research analysts, risk managers, client services, etc.).
- 5.3.5** Provide a brief general description of the bidder's compensation agreements for professional staff, including bonuses, profit sharing, and equity ownership and the metrics used to determine incentive-based compensation.
- 5.3.6** Please describe any succession plans for the management of the bidder and for the continuity of leadership within the relevant investment teams. What plans, if any, are there if a key person were to become unavailable for an extended length of time?
- 5.3.7** Have any principals, partners or senior managers left the bidder within the last three years? If yes, list each person's name, title, date of departure, and state the reason for each of these professionals leaving.
- 5.3.8** What are the current and short-term (next one to two years) priorities of the bidder (e.g. asset growth, increase/improvement in staffing, implementation of new strategies, etc.)?
- 5.3.9** On Table 5.3.9 in the attached Information Table, provide Total Firm Assets metrics for the organization by Region and Client type.
- 5.3.10** Please describe how the bidder broadly considers sustainable business practices across its firm and the role of ESG factors within its investment platform. Do you have a Responsible Investment Policy and is this disclosed to the public? If so, what are your motivations for having a policy? Are you a signatory to the UNPRI? If not, do you intend to become a signatory? If no, please explain your view and approach to being a responsible investor otherwise. Do you have a Responsible Contractor Policy and is this disclosed to the public?
- 5.3.11** 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, diversity initiatives, partnerships with schools, etc.? (Please list) Do you have in place programs that encourage recruitment from non-traditional routes, apprenticeship programs, programs for military veterans? (Please list)

**5.3.12** On Table 5.3.12 in the attached Information Table, please provide Diversity metrics for the organization.

## **5.4 PERSONNEL**

- 5.4.1** Specify the individuals (up to ten) deemed by the bidder to be crucial to the proposed Asset Class' success (i.e., lead portfolio managers, portfolio manager's back up, etc.). Outline it by each proposed strategy so that the senior members are listed once or a minimum of times. Please include for each individual a biography that, at a minimum, include name, years of experience, years with firm, years with the asset class or each proposed strategy (as appropriate), percent of time devoted to the asset class or each proposed strategy (as appropriate), prior experience, including academic and professional credentials and indicate if the individual is a shareholder (Yes or No).
- 5.4.2** For 2021 year-to-date and each of the previous five calendar years, provide the number of investment professionals, gained and lost who were directly involved with each proposed strategy including the roles of these individuals (i.e., portfolio manager, research analyst, etc.). How did the firm respond to the departures? Specify if the investment professionals resigned, were terminated, retired, or rotated to another product/division.
- 5.4.3** Provide information for the proposed asset class team for each proposed strategy. Identify the key decision makers and discuss how they will be made available to the DOI. Discuss any plans to recruit additional key personnel and if key personnel are promoted from within or brought in externally.
- 5.4.4** Does the investment team that will manage the proposed strategy manage any other products at the firm? What is the asset level in those products and what percentage of the holdings in these other products overlap with the proposed strategy?
- 5.4.5** Does the investment team invest their own assets in the proposed strategy?

## **5.5 LOCATION**

- 5.5.1** Identify the location of the main offices of the bidder.
- 5.5.2** Identify the location of the office(s) of the bidder from which services would be provided to the State of New Jersey.

## **5.6 ORGANIZATION CHARTS**

- 5.6.1 Provide an assignment organization chart specific to the portfolio management team, with names showing management, supervisory, research and other key personnel within each asset class.
- 5.6.2 Provide a contract organization chart with names showing management, supervisory, research and other key personnel to be assigned to the contract.

## **5.7 FINANCIAL CAPABILITY OF THE BIDDER**

- 5.7.1 Please submit certified financial statements which include a balance sheet, income statement and statement of cash flow, and all applicable notes for the most recent calendar year or the bidder's most recent fiscal year.
- 5.7.2 Has the audit opinion on the bidder's financial statements been "unqualified" for any of the last three years? If not, please explain. Has the bidder had a change in auditors over the last three years? If so, explain why.
- 5.7.3 A bidder may designate specific financial information as not subject to disclosure when the bidder has a good faith legal/factual basis for such assertion. A bidder may submit specific financial documents in a separate, sealed package clearly marked "Confidential-Financial Information" along with the proposal. The State reserves the right to make the determination to accept the assertion and shall so advise the bidder.

## **5.8 POTENTIAL CHANGES**

Provide a summary of any and all changes that the bidder anticipates during the term of the contract that could potentially impact the bidder's ability to provide its proposed solution. For each change identified, the bidder should provide its proposed solution.

## **5.9 OPERATIONS, TRADING AND CONTROLS**

- 5.9.1 Briefly describe the bidder's administrative/back office operations and organizational structure.
- 5.9.2 List the global custodians with which the bidder currently interfaces.
- 5.9.3 Describe any electronic interfaces in place from order management system, accounting, back office etc.
- 5.9.4 Briefly describe the key systems and tools used for portfolio management, analysis, trading and accounting. Indicate if these systems are third party or internally developed.

- 5.9.5** Describe the bidder's commitment to research and system enhancements.
- 5.9.6** Provide an overview of pricing procedures for securities, including sources and frequency of marks.
- 5.9.7** Does the bidder currently contract with outside pricing services? If so, provide a list of the firms and indicate the general types of securities each prices on the bidder's behalf.
- 5.9.8** Does the bidder maintain a formal valuation committee or other entity that provides oversight for security/portfolio valuation?
- 5.9.9** Does the bidder execute its own foreign exchange for trades or use a third party service?
- 5.9.10** Provide an overview of the bidder's operational risk monitoring and management practices.
- 5.9.11** Does the bidder participate in Service Organization Control (SOC) or equivalent reviews? If so, provide a copy of the bidder's latest SOC report and, if available, the independent auditor's opinion on whether internal controls are adequate to achieve specified risk/SOC objectives and whether such controls were operating effectively at the time of audit. Have there been any significant changes since the date of the opinion?
- 5.9.12** Provide an overview of the bidder's trade allocation protocols and procedures for controlling performance dispersion between accounts with substantially the same guidelines.
- 5.9.13** Please briefly describe the bidder's trading policy. How many bids (or offers) are typically received per trade? How is it determined which broker is used for a trade? Please include any information that would help to understand the trading processes, including a copy of the bidder's policies for approving and monitoring brokers.
- 5.9.14** Provide an overview of the bidder's business continuity and disaster recovery systems and plans.
- 5.9.15** Has bidder firm received a Wells Notice in the past year?

## **5.10 COMPLIANCE AND ETHICS**

- 5.10.1** Provide an overview of the bidder's pre- and post-trade investment guideline monitoring practices. Is a separate, independent group responsible for ensuring

guideline compliance? What systems does the bidder have in place to ensure compliance with such guidelines?

- 5.10.2** Please state whether the bidder employs a compliance officer. If so, what are the duties of the compliance officer? To whom does the compliance officer report?
- 5.10.3** Submit a copy of the bidder's ethics or standards of conduct policy. What steps are taken to ensure that employees comply with this policy?
- 5.10.4** What handbooks, manuals, written policies, written procedures or training are provided to new and current employees? How often is training refreshed? How extensively does the bidder monitor and discipline employees?
- 5.10.5** Provide the bidder's written policy on keeping the process for employees' trading of their own securities independent from the processes for trading securities for clients. Discuss procedures used to monitor and control personal trading activities.
- 5.10.6** Discuss procedures used to prevent and detect rogue/unauthorized trading in client or firm accounts.
- 5.10.7** Has any member or representative of the bidder had contact with any SIC member, DOI staff member or consultant during the last 12 months regarding this RFP? What has been the nature of these contacts?

## **5.11 LEGAL AND REGULATOR**

- 5.11.1** Is the bidder registered as an Investment Advisor under the Investment Advisors Act of 1940? If so, please attach the bidder's ADV Part II as Appendix F – ADV Part II. If not, please explain why.
- 5.11.2** Is the firm in compliance with the USA PATRIOT Act?
- 5.11.3** Over the last ten (10) years, has the bidder or any officer, director, partner, or principal been the subject of any past or pending non-routine investigation or inquiry by a federal or state agency or self-regulatory body regarding fiduciary responsibilities or other investment-related matters? If so, describe each instance and indicate if any directives, letters or opinions were issued concerning said inquiry.
- 5.11.4** Over the last ten (10) years, has the bidder or any officer, director, partner, or principal been involved in any past or pending civil or criminal litigation or legal proceeding related to the bidder's business? If so, describe each instance.

**5.11.5** Over the last ten (10) years, has the bidder or any officer, director, partner, or principal been convicted of, pled guilty to, or pled nolo contendere to a felony? If so, describe each instance.

**5.11.6** Summarize the coverage for errors and omissions, professional liability, fiduciary insurance or fidelity bonds held by the bidder (i.e., amounts and respective carriers).

**5.11.7** Over the last ten (10) years, has the bidder submitted a claim to its errors and omissions, professional liability, fiduciary insurance or fidelity bond carrier(s)? If so, describe each instance.

**5.11.8** Has the bidder ever filed, voluntarily or involuntarily, for bankruptcy protection or otherwise been subject to the appointment of a receiver, trustee, or assignee for the benefit of creditors? If so, describe each instance.

## **5.12 INVESTMENT STRATEGY**

For sections 5.12, 5.13, and 5.14 **please provide one complete and separate set of responses and corresponding tables for the proposed Asset Class.** We expect that some bidders may manage multiple products or strategies within a given Asset Class, some of which may be closed to new investors, and these products may have modest variations in terms of portfolio concentration and characteristics. DOI also encourages bidders with a single strategy or product to bid. Our intent is to evaluate bidders on a holistic basis across multiple products within the Asset Class.

Briefly provide an overview of the proposed strategy investment environment:

- a) Past, present, and expected future conditions.
- b) Where do you see the best opportunities going forward?
- c) How have these opportunities changed in recent years?
- d) How do you plan on capturing these opportunities?

**5.12.1** Table 5.1.12.1 in the attached Information Table, provide all products you currently manage for the proposed Asset class, including the current and remaining capacity for each product managed within the Asset Class.

How is this capacity determined? If this capacity is reached, would a “hard” close (no new assets from any source) or “soft” close (new assets allowed from existing clients or within certain vehicles) be instituted?

**5.12.2** On Table 5.12.2 in the attached Information Table, provide the 2020 calendar year-end information for the bidder’s commingled and separate accounts for each proposed strategy.

- 5.12.3** On Table 5.12.3 in the attached Information Table, for each proposed strategy, show the number of accounts gained or lost along with the corresponding asset values for each of the last five calendar years. For clients lost, please state the reason.
- 5.12.4** On Table 5.12.4 in the attached Information Table, for each proposed strategy, provide the number of accounts and assets under management (AUM) as of December 31, 2018, December 31, 2019 and December 31, 2020.
- 5.12.5** On Table 5.12.5 in the attached Information Table, provide the size of the bidder's largest and median advised/managed accounts in each proposed strategy?
- 5.12.6** On Table 5.12.6 in the attached Information Table, provide a listing of the top U.S. public fund clients by AUM (up to 3) for each proposed strategy. Include the size of the AUM at present and the length of engagement.
- 5.12.7** If the bidder has experienced significant growth or declines in AUM, how has this affected the liquidity profile of each proposed strategy or the stability of the organization or investment team? How has the bidder been able to mitigate any potential negative effects of this asset growth or decline on the ability to generate strong excess returns going forward?

### **5.13 INVESTMENT PROCESS – ASSET CLASS**

- 5.13.1** Describe the firm's investment philosophy and process as well as any aspects unique to the proposed Asset Class. The description should include detail on top-down (economic and thematic) versus bottom-up (security selection). The description should also include detail on duration management; sector/industry selection; capital structure selection (Senior vs. Secured vs. Subordinated); ratings selection; and, individual security selection. The response should describe the firm's research effort, portfolio construction guidelines, sell discipline, trading practices and portfolio turnover. Feel free to also include details of the workflow between the portfolio manager(s), trading and research. For example: "Do Traders provide investment ideas or just execute?" How are pricing expectations communicated? Limit the response to this question to no more than 2 pages.
- 5.13.2** Are quantitative methods used as part of the investment process? If so, describe and indicate the relative contributions to performance of quantitative versus fundamental factors. Also, indicate the relative contribution to performance of duration, sector/industry, ratings, and security selection.
- 5.13.3** Illustrate the bidder's investment process for the proposed Asset Class by identifying and describing the analysis behind two buys made during the past



three months that are deemed to be most significant (one should address an adjustment to a position). Limit the discussion of each security purchase to one page.

- 5.13.4** Illustrate the bidder's investment process for the proposed Asset Class by identifying and describing the analysis behind two recent sells (one of these sells should be an investment that did not work out) made in a portfolio. Limit the discussion of each security sale to one page.
- 5.13.5** Discuss unique methods utilized by the bidder in gathering or analyzing information. What is the bidder's competitive advantage over other managers or advisers?
- 5.13.6** Describe the strategy's buy and sell discipline. Are stop-loss procedures utilized?
- 5.13.7** Describe the investment decision making process. Who is involved, who has ultimate decision making authority? Does someone hold a veto right over the investment decision? Identify the lead portfolio manager and the backup portfolio manager for the potential relationship. Do analysts decide what makes it into portfolio or do portfolio managers? Who decides on the positioning sizing for an initial purchase and then over time?
- 5.13.8** Describe the degree to which any strategy within the proposed Asset Class will invest in non-benchmark securities. Non-benchmark positions are allowed. Information on non-benchmark names provides color on investment strategy.
- 5.13.9** Describe the use of ETFs, derivatives, or other vehicles to gain market exposure to certain countries or sectors. Describe how their use may affect proposed fees. Current permissible derivatives for the Pension Fund include FX forwards (N.J.A.C. 17:81), Futures (N.J.A.C. 17:16-82), Swaps (N.J.A.C. 17:16-83), Covered Call Options (N.J.A.C. 17:16-84) and Put Options (N.J.A.C. 17:16-85). Counterparties are limited to those with which DOI has directly executed the applicable agreements, including but not limited to Option Agreements, Futures Agreements, Margin Agreements, ISDAs and Dodd Frank Protocol Agreements. The Division does not currently have any executed ISDA agreements in place. A list of counterparties with which the DOI has executed other types of agreements will be provided upon contract award.
- 5.13.10** How is cash utilized in the strategy? What is the maximum amount of cash a portfolio manager may hold in a portfolio? What is the typical range of cash allocation? How long may a portion of the portfolio remain uninvested?
- 5.13.11** What enhancements have been made to the investment process over the past three years (e.g. emphasized, deemphasized or changed purchase criteria)?

- 5.13.12** Describe the trading process. Once a security is identified as a buy or sell, how is the trade implemented? Are there dedicated traders? If so, how many traders and list their experience. Are traders dedicated to HY bonds, or do they trade other securities/asset classes as well? How much discretion do the traders have in implementing the trade?
- 5.13.13** How is the effectiveness of the trading system monitored? How is best execution determined?
- 5.13.14** Is trading effectiveness of the bidder's currency trading monitored? How is execution quality monitored?
- 5.13.15** Does the bidder have dedicated ESG analysts or are sustainability issues integrated throughout the strategy's research team? Please explain your approach and rationale. Discuss the use of internal ESG ratings, if any. If external ESG ratings are utilized, please provide the names of third-party vendors and how they are incorporated into the investment process.
- 5.13.16** Please list some examples of ESG risks and opportunities that you have considered in your investment decision-making process for the proposed strategy(s). Has a portfolio manager trimmed/sold out of/added a premium to an asset as a result of ESG considerations for the proposed strategy(s)? Please provide an example. Does the bidder take an active ownership approach and engage with company management on governance and sustainability issues? If so, please explain.

## **5.14 RISK MANAGEMENT**

- 5.14.1** List the main risks associated with the proposed Asset Class and describe how each is explicitly measured and managed at both the individual security and aggregate portfolio level. Please provide information requested in table 5.1.14.1
- 5.14.2** Identify the person(s) or group primarily responsible for the risk management function.
- 5.14.3** Discuss how risk management both interacts with and maintains independence from the other aspects of the investment process.
- 5.14.4** List applicable portfolio constraints or guidelines (e.g., target exposures and allowable ranges, either benchmark-relative or absolute) and describe any other quantitative or qualitative risk controls. Include such things as maximum position sizes, as well as minimum or maximum rating weightings or sector/industry weightings. (Please note that we do not expect Contractor

credit quality analysis to be beholden to the Rating agency buckets but do still find the information relevant for overall portfolio color.)

- 5.14.5** How frequently is stress-testing and scenario analysis performed on the proposed strategy? How is risk monitored at the position and portfolio levels? How is risk controlled when making country, currency, sector, and company allocations? What models or other tools do you use for portfolio risk management? Specifically provide names of commercial systems or platforms.
- 5.14.6** List the number of defaults by calendar year and the percent of the portfolio that defaulted (based on cost of position) for the last 20 years or since inception. Compare to the benchmark default rate. Identify the number of positions and the percent of the portfolio (based on the cost of the position) that was sold at distressed levels (price less than 60) as well as stressed levels (price between 60 and 88).
- 5.14.7** Explain how a sell decision is made, as it relates specifically to risk mitigation. What is the process to remove or reduce a position in the portfolio? Who has the authority over the investment decision? How does the sell decision making process differ from the purchase decision?
- 5.14.8** Describe any hedging activities pursued in the proposed Asset Class, including what risks/exposures are typically hedged, instruments used and how hedging activities enhance risk-adjusted performance. Include a discussion regarding the bidder's currency hedging approach and policies. Current permissible derivatives for the Pension Fund include FX forwards (N.J.A.C. 17:81) and Futures (N.J.A.C. 17:16-82). Counterparties are limited to those with which DOI has directly executed ISDA and Dodd Frank Protocol Agreements.

## **5.15 INVESTMENT PROCESS – STRATEGY**

For section 5.15, **please provide one complete set of questions, answers, and corresponding tables for the proposed strategy** i.e. if you are proposing multiple strategies, you should answer the questions for each one separately.

- 5.15.1** Describe the investment universe for each proposed strategy, including the types of securities utilized. Within this universe, are there any subsets that could be characterized as the primary focus?
- 5.15.2** On Table 5.15.2 in the attached Information Table, please provide the percentage of portfolio holdings in each duration bucket as of June 30, 2021, June 30, 2020 and June 30, 2019. Please perform the same exercise for ratings buckets (and specify what rating agency or blend of agencies is being used). Populate the table with percentages of the portfolio market value.

- 5.15.3** On Table 5.15.3 in the attached Information Table, please indicate what sectors are overweighed and underweighed in each proposed strategy as of the same time periods referenced above. Provide relative percentage weightings for these sectors. For HY, it is preferred that the BICS Sectors are used (Basic Materials, Capital Goods, Cash, Communications, Consumer Cyclical, Consumer Non-Cyclical, Diversified, Energy, Financial, Government, Industrial, Technology and Utilities). It is up to the bidder's discretion if it would like to include Industry Groups as Sub-sectors.
- 5.15.4** Describe your investment philosophy for the product. What market anomaly or inefficiency are you trying to capture? Why do you believe this philosophy will be successful in the future? Please provide any evidence that supports this belief. How has this philosophy changed over time (if applicable)? Under what, if any, circumstance would you deviate from the disciplines associated with this philosophy? Describe the market conditions under which the investment philosophy is expected to outperform as well as market conditions under which it will underperform.
- 5.15.5** Discuss any periods in which each proposed strategy experienced exceptionally good/bad performance or high/low volatility. In essence, provide context and explanation for any periods that had significant variances from the benchmark.
- 5.15.6** Provide a representative portfolio as of June 30, 2021 and describe the number of issuers and issues typically held in a portfolio. Describe the typical position sizing, the max issuer concentration and thought process around the top 10 positions or highest conviction names.

## **5.16 PERFORMANCE HISTORY**

- 5.16.1** Provide each proposed strategy's monthly composite returns, gross of fees, for the last ten calendar years in table 5.16.1 (or since inception, if that period is shorter) through June 30, 2021.
- 5.16.2** Please provide an annual performance attribution for each proposed strategy within the asset class for calendar years 2007 through 2020 and the semi-annual attribution for the 6 months thru June 30, 2021. The attribution may include sector selection, yield curve positioning, duration, currency (if appropriate) and security selection decisions.

## **5.17 COMPOSITE QUALITY**

- 5.17.1** Please indicate which of the following type(s) of portfolios are included in the composite ending June 30, 2021.
- Fully Discretionary Separate Account Portfolios Only
  - Both Fully Discretionary and Restricted Portfolios

- Commingled Vehicles
- Other (Please Specify)

- 5.17.2** Is the composite for each proposed strategy calculated in compliance with CFA Institute GIPS? If so, what is the initial date of compliance? Has a third party been involved in certifying compliance with GIPS standards?
- 5.17.3** Has it been the bidder's policy to include all fully discretionary portfolios in the composite since its inception? If not, please explain.
- 5.17.4** Are there currently any fully discretionary portfolios excluded from the composite? If so, provide an explanation for each instance.
- 5.17.5** Are terminated portfolios included in the composite? If not, please explain.
- 5.17.6** When are new portfolios included in the composite? Has this policy been consistently applied since inception of the composite?
- 5.17.8** How are portfolios in the composite weighted? Has this policy been consistently applied since inception of the composite?
- 5.17.9** Are cash returns mixed with asset returns? Has this policy been consistently applied since inception of the composite?
- 5.17.10** Are accounts ever switched from one composite to another? What determines the appropriateness of any such changes?
- 5.17.11** As of June 30, 2021, provide the number of accounts and assets for both the investment style of each proposed strategy and the composite itself.
- 5.17.12** Provide the performance dispersion (high, low and median returns) of the accounts in each of the composites for the past five calendar years as well as the 6 months ended June 30, 2021.

## **5.18 ADDITIONAL INFORMATION**

- 5.18.1** Provide five references of clients who employ the bidder to manage or advise accounts in the proposed Asset Class. Include a contact name, phone number, inception date and the market value of the assets the bidder manages or advises for each reference. Please include longer term clients to the extent possible.
- 5.18.2** Please provide five references of institutional clients that have discontinued their use of the bidder's services for the Asset Class. Include a contact name, dollars (\$ mm) managed or advised at the time of termination, termination date, and the specific reason(s) for termination.

**5.18.3** Provide the names of the top 10 (ten) brokers used for trading and how these firms are evaluated for effectiveness.

### **5.19 FEE PROPOSAL**

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.

The State reserves the right to negotiate final price with the Bidder(s) selected to provide these service(s).

The State's obligation to pay the Contractor is contingent upon the availability of appropriated funds from which payment for contract purposes can be made. No legal liability on the part of the State for payment of any money shall arise unless funds are made available each fiscal year to the DOI by the Legislature for such purposes.

**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 the Investment Adviser Agreement, this RFP (including the Standard Terms & Conditions as supplemented by the Waivered Contracts Supplement and modified in Section 6.15), 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 the Investment Adviser Agreement, 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: the Investment Adviser Agreement, any Addendum to the RFP, the RFP, the Standard Terms & Conditions, Contractor's best and final offer, and Contractor's proposal.

### **6.2 TERM AND TERMINATION**

- 6.2.1** The term of the resulting Contract(s) will be for three (3) years. The term may be extended up to three (3) additional years, at the same price and terms as the last year, provided that each party executes a written extension prior to each additional year.
- 6.2.2** Either party may terminate the engagement at any time, with or without cause, during the term of the engagement upon thirty (30) days' written notice.
- 6.2.3** DOI may terminate a Contractor for cause pursuant to the Standard Terms & Conditions. Failure to follow an Investment Parameter or a DOI Directive shall constitute a "for cause" event. In the event of a "for cause" termination, Contractor shall not be entitled to any payment of fees for services provided after the date of the action that forms the basis for such termination.

### **6.3 CONTRACT TRANSITION**

In the event that a new contract has not been awarded prior to expiration or termination of the Contract, it shall be incumbent upon 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 (1) year beyond the expiration date of the Contract.

## **6.4 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 Contractor and the Director.

## **6.5 CONTRACTOR RESPONSIBILITIES**

- 6.5.1** Contractor shall have sole responsibility for the complete effort specified in the Contract. Payment will be made only to Contractor. Contractor shall have sole responsibility for all payments due to any subcontractor.
- 6.5.2** 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. 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 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 the State may have arising out of 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 and are specific to DOI, shall be and remain the property of the State of New Jersey and shall be delivered to DOI upon thirty (30) days' notice by DOI.

Should the Contractor 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 Contractor identifies such intellectual property ("Background IP") in its proposal, then the Background IP owned by the Contractor on the date of the contract, as well as any modification or adaptations thereto, remain the property of the Contractor. Upon contract award, the Contractor shall grant the State a non-exclusive, perpetual royalty free license to use any of the Contractor's Background IP delivered to the State for the purposes contemplated by the contract.

## **6.7 DATA CONFIDENTIALITY**

- 6.7.1** All financial, statistical, personnel, customer and/or technical data supplied by the State to Contractor are confidential. Contractor must secure all data from manipulation, sabotage, theft or breach of confidentiality. Contractor is prohibited from releasing any



financial, statistical, personnel, customer and/or technical data supplied by the State that is deemed confidential. Any use, sale, or offering of this data in any form by Contractor, or any individual or entity in Contractor's charge or employ, will be considered a violation of this Contract and may result in contract termination and Contractor's suspension or debarment from State Contracting. In addition, such conduct may be reported to the State Attorney General for possible criminal prosecution.

- 6.7.2** Contractor shall assume total financial liability incurred by Contractor or any third party associated with any breach of confidentiality.

## **6.8 SECURITY STANDARDS**

- 6.8.1** 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.

- 6.8.2** Contractor shall protect and maintain the security of data in accordance with generally accepted industry practices.
- 6.8.3** Data usage, storage, and protection is subject to any applicable federal and state regulatory requirements.
- 6.8.4** 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.
- 6.8.5** 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.
- 6.8.6** 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 the 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) except on a case-by-case basis as

specifically agreed to in writing by the Director.

- 6.8.7** 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.

## **6.9 NEWS RELEASES**

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.

## **6.10 ADVERTISING**

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 the prior written consent of the Director.

## **6.11 LICENSES AND PERMITS**

Contractor shall obtain and maintain in full force and effect all required licenses, permits, and authorizations necessary to perform the Contract. 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.

## **6.12 CLAIMS AND REMEDIES**

### **6.12.1 CLAIMS**

All claims asserted against the State (including DOI) by 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.

### **6.12.2 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.

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

In the event that Contractor fails to comply with any material Contract requirements, DOI may take

steps to terminate the Contract in accordance with Section 6.2 or the Standard Terms & Conditions, or take any other action or seek any other remedies available at law or in equity.

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

- 6.14.1** For DOI to fulfill its fiduciary responsibilities for the State's pension funds, the contractor may be required to perform additional scope of work directly related to this RFP and other services that are relevant but outside the scope of work of this RFP.
- 6.14.2** Contractor shall not begin performing any additional work or special projects without first obtaining written approval from both the DOI Contract Manager and the Director.
- 6.14.3** In the event of additional work and/or special projects, 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 Contractor in its proposal.
- 6.14.4** 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.
- 6.14.5** 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.
- 6.14.6** Upon receipt and approval of Contractor's written proposal, the DOI Contract Manager shall forward same to the Director for the Director's written approval.
- 6.14.7** No additional work and/or special project may commence without the Director's written approval. In the event Contractor proceeds with additional work and/or special projects without the Director's written approval, it shall be at Contractor's sole risk. The DOI shall be under no obligation to pay for work performed without the Director's written approval.

#### **6.15 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.

NOTE: Selected bidders will be required to register with the State's centralized accounting system through NJStart in order to be paid. Vendors not already registered may do so at:

## **6.16 MODIFICATIONS AND CHANGES TO THE STANDARD TERMS & CONDITIONS**

- 6.16.1** 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/offer or 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/offer or must present those conflicts during the question and answer period or during negotiations for the state to consider.”

- 6.16.2** 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.”

- 6.16.3** Section 4.2 of the Standard Terms & Conditions regarding insurance is modified with the addition of 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.”

- 6.16.4** 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 but may not waive material omissions or deviations from the RFP requirements.

### **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 FROM BIDDER, CLIENTS**

- 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**

- 7.6.1 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.
- 7.6.2 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.
- 7.6.3 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.

- 7.6.4** 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 should not be construed to imply acceptance or rejection of a proposal.

## **7.7 EVALUATION CRITERIA**

- 7.7.1** 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.
- 7.7.2** 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.
- 7.7.3** 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 RFP. The evaluation criteria categories may be used to develop more detailed evaluation criteria to be used in the evaluation process:
- Documented experience in successfully completing contracts requiring services of similar size and scope;
  - The qualifications and experience of management, supervisory or other key personnel assigned to the engagement, with emphasis on documented experience in successfully completing work on contracts requiring services of similar size and scope;
  - The overall ability to mobilize, undertake and successfully complete the services required by this RFP;
  - Competitiveness of fees relative to other similar products and strategies;
  - Absolute and risk-adjusted performance on a net-of-fee basis relative to the appropriate benchmark and peer group;
  - Structural fit within DOI's investment program;
  - Adequate supporting resources, including personnel and global, regional or country presence, where appropriate; and
  - The use of explicit risk assessments both within the portfolio construction methodology as well as assessment of risks outside the fundamental operating risks of the company, including how risk is measured and managed at both the individual security and aggregate portfolio levels.

## **7.8 PRICING DISCREPANCIES**

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.

If any other obvious pricing error is found, the Director shall issue 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.

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, DOI may invite one (1) bidder or multiple bidders to submit a best and final offer (BAFO). Said 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 negotiations 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 they are deemed by DOI or the Director to be in the State's best interests and to maximize the State's ability to get 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 INVESTMENT ADVISER AGREEMENT**

DOI and the bidder shall enter into an Investment Adviser Agreement, substantially in the form provided as Attachment 3 to this RFP. The bidder shall propose any changes to the form of the Investment Adviser Agreement during the Question and Answer Period or during negotiations prior to contract award. The Investment Adviser Agreement shall stipulate that Contractor is providing non-discretionary advice and shall outline the procedure by which designated DOI staff shall approve or reject all trades and corporate actions recommended by Contractor.

#### **8.1.2 POLITICAL CONTRIBUTION DISCLOSURES**

**8.1.2.1** 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.

**8.1.2.2** Pursuant to P.L. 2005, Chapter 271, at least ten (10) days prior to contract award, the bidder shall complete and submit the (see below link to obtain form) Vendor Certification and Political Contribution Disclosure Form.

<https://www.nj.gov/treasury/purchase/forms/CertandDisc2706.pdf>

**8.1.2.3** 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 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:

<https://www.nj.gov/treasury/doinvest/pdf/index/Chapter51form.pdf>

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

[https://www.nj.gov/treasury/doinvest/pdf/index/Political\\_contribution.pdf](https://www.nj.gov/treasury/doinvest/pdf/index/Political_contribution.pdf)

### **8.1.3 SOURCE DISCLOSURE REQUIREMENTS**

Pursuant to N.J.S.A. 52:34-13.2, all services performed under a State contract or under any subcontract awarded 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 and 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 Source Disclosure Certification form (see below link to obtain form) for this purpose.

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

### **8.1.4 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 (found at the link below) the Affirmative Action Employee Information Report.

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

### **8.1.5 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 (see below link to obtain form) MacBride Principles Form for this purpose.

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

#### **8.1.6 BUSINESS REGISTRATION**

Pursuant to N.J.S.A. 52:32-44(b), a bidder and its named subcontractors must each 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.

#### **8.1.7 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.

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

Pursuant to P.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, fax phone 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**

**Attachment 1 – PRICE SCHEDULE**

The Bidder should complete all pages in Attachment 1 -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 3.11.9 Price Schedule for additional information regarding this Price Schedule.

DOI will consider all fee structures including an annual flat fee. However, bidders are strongly encouraged to consider and submit a performance based fee structure.

Please provide the bidder’s fee schedule for advising on the proposed Asset Class for assets up to \$1 billion.

**Attachment 2 – Information Table**

The Bidder should complete all pages in Attachment 2 – Information Table. The Bidder should not leave cells blank, but rather utilize “N/C” (No Charge) if applicable.

**Attachment 3 – Investment Adviser Agreement form (IAA)**

See attached