

Police and Firemen's Retirement System of New Jersey
State of New Jersey
50 West State Street – 9th Floor
Trenton, NJ 08608-1220

June 14, 2021

Re: **Request for Qualifications for Outside Counsel for the Police and Firemen's Retirement System of New Jersey ("PFRSNJ"), Transition of Assets from Common Pension Fund D and E.**

Dear Counsel:

The Police and Firemen's Retirement System of New Jersey, ("PFRSNJ") Board of Trustees hereby announces the issuance of a Request for Qualifications ("RFQ") for outside counsel to provide support and assistance to PFRSNJ's Director of Legal Affairs, regarding the transfer of assets from the Commingled Common Pension Funds D and E to the separately titled Police and Firemen's Retirement System.

Currently, the Division of Investment in conjunction with the State Investment Council invests the approximately \$89 billion dollars of assets from the five State Administered plans in two commingled funds, Common Pension Fund D and E. In 2018, Chapter 55 was enacted which separates the PFRS from the other retirement systems, and transfers power for implementing investment policy and direction of investments to the PFRSNJ Board. The outside counsel will assist the PFRSNJ Board and system with transition of assets at the State's Custodian bank, State Street, and will assist the PFRSNJ in drafting an MOU with the Division of Investments regarding operations post the transfer of assets.

The Minimum Qualifications for this engagement are as follows:

- Firms must have an understanding of the fiduciary responsibilities of the PFRSNJ Board of Trustees to its members and the pension system as a whole.
- Have knowledge of the process of proposing, drafting, and evaluating the spinning out of assets at a major custodian bank. Additionally, the firm must be ready to assist the Director of Legal Affairs to draft an MOU by which the Division of Investments interacts with the Police and Firemen's Retirement System, and any other legal work that is needed to effectuate the transfer of assets from the commingled funds to separately titled PFRS account.
- The procured law firm will work with the Board, its Executive Director, the Chief Investment Officer, and the Board's Director of Legal Affairs as needed to complete specific tasks, and be accountable to the Board for its decisions regarding matters.

- Selection of a firm will be completed upon the negotiation of a retainer agreement signed off by the Chairman of the PFRSNJ and an authorized signatory of the selected law firm.

The effective date of this RFQ is June 14, 2021. The response to the RFQ is to be submitted on or before 2:00 p.m. on July 14, 2021. A firm will be selected based on the criteria set forth in the RFQ.

The PFRSNJ Chairman requests that interested firms submit a proposal in accordance with the RFQ. The RFQ is available on the New Jersey Treasury Department's website at <http://www.state.nj.us/treasury/pensions/>

The response should be marked as follows: "Outside Counsel Investment RFQ for PFRSNJ"

Questions may be submitted no later than June 29, 2021 at 3:00 p.m. to PFRSNJ, Attention: PFRSNJ Board Secretary, at the following address: Lisa.Pointer@treas.nj.gov

Please note that the "subject" line of your email address must specifically reference the RFQ as follows: "Outside Counsel Investment RFQ for PFRSNJ Board of Trustees."

Sincerely yours,

Ed Donnelly
PFRSNJ Board Chairperson

Request for Qualifications for Outside Counsel for the Police and Firemen's Retirement System

Date issued: June 14, 2021

Question and Answer Cut-Off Date: June 29, 2021 @ 3:00 p.m.

Email Lisa.Pointer@treas.nj.gov

Proposal Due: July 14, 2021 @ 2:00 p.m.

Email to Lisa.Pointer@treas.nj.gov

Ed Donnelly

Chairperson

Police and Firemen's Retirement System of New Jersey

1. Purpose and Intent

The PFRSNJ Board of Trustees serve as officers of the Police and Firemen's Retirement System. The Trustees issue this Request for Qualifications ("RFQ") intending to select a firm to serve as Outside Counsel for the Scope of Services as described in section 2. The purpose of the procurement of outside counsel will be to assist the Board in specific areas, including the transition of the PFRS assets at State Street, as well as the MOU with the Division of Investments, and such other legal work as will be required to transfer the PFRS assets from the two commingled funds, into a separate account. The outside counsel will work with PFRSNJ's, Executive Director, Chief Investment Officer, and Director of Legal Affairs to accomplish the goals and policies set forth by the Board of Trustees. Work will be on an as needed basis, and notice will be provided to the selected outside counsel firm as work is required by the PFRSNJ.

The Board Chairman or his designee will be the sole point of contact for all matters pertaining to this engagement and to oversee and coordinate the activities of Outside Counsel.

2. Background – The PFRSNJ will be required to use the assistance of outside counsel from time to time. The Board employs a Director of Legal Affairs, who will require assistance with the transition of assets at State Street Custodial Bank, as well as the MOU with the Division of Investments, regarding authority of the Board, its Chief Investment Officer, and the Division of Investments. Work will be on an as needed basis to effectuate the transfer of the assets from the commingled funds, into separate accounts.

3. Minimum Requirements

The Board of Trustees seeks a law firm with attorney(s) who have a demonstrated knowledge and experience working in the field of Public Laws, Pensions, Investments, and General Counseling to a large public pension fund, including the fiduciary duties of the Board of Trustees of the Police and Firemen's Retirement System of New Jersey. Specifically, the firm needs to have experience in separating commingled assets from a pension plan. Additionally, the law firm must have experience dealing with a custodian bank, and the accounting that must be performed when assets are

separated from a commingled fund. The outside counsel will also assist the Director of Legal Affairs with the scoping and finalization of an MOU with the Division of Investments, where PFRSNJ takes on direction of the policy and investments of the retirement system from the State Investment Council, and such other work as is necessitated for the separation of assets.

4. Restrictions

Outside Counsel must have knowledge of “pay to play” statutes, and be in compliance with the same.

PFRSNJ shall not be liable for any damages to any bidders or successful law firms, and will not provide indemnification for any bidder or selected firm.

The PFRSNJ within its sound discretion may accept any number of firms, reject any firms, or cancel this RFQ without further notice.

5. Scope of Services

The firm selected as outside counsel will be required to counsel the Board on those specific matters that it may from time to time request, specifically, the transfer of assets from State Street Custodian Bank from the commingled plans run by the State of New Jersey in Common Pension Fund D and E, as well as drafting the MOU with the Division of Investment, and such other work as may be required to carry out the legislative intent of Chapter 55 of Public Law 2018. Outside counsel will work cooperatively with the Board’s staff including the Executive Director, Chief Investment Officer, and Director of Legal Affairs for PFRSNJ, and will be presented work through the Director of Legal Affairs.

The Board requests a cost proposal for the identified work. The Board is open to either an hourly rate, or an all-inclusive fee for the work performed. Finalization of rates will depend upon the successful negotiation of price in a retainer agreement between the Board and the law firm to complete such work. Procurement will only be completed once the Chairman of the PFRSNJ and an

authorized signatory from the law firm sign a written retainer agreement.

6. Experience

Interested firms should include a summary of relevant experience, by attorney, together with proposed billings rates. While the Board would ideally chose a candidate firm that has experience in mergers and acquisitions, public pension plan asset, and the exchange of their assets, separating assets from a commingled plan, transfer of assets for titling purposes in a global custodian bank, and drafting the MOU with the Division of Investments, regarding control of the assets, and such other work as will be required to separate the assets.

Firms shall be selected based upon prior experience as detailed above, and will be evaluated upon prior work.

7. Term of Services.

The selected firm will enter into a retainer agreement, and the services shall begin once the agreement has been signed.

Multiple firms may be selected under this agreement based upon the sole discretion of the PFRSNJ Board.