

## REQUEST FOR PROPOSAL

### INVESTMENT CONSULTING SERVICES

The Dukes County Contributory Retirement System, through its duly constituted Retirement Board, seeks the services of a qualified Investment Consultant to provide services consistent with the provisions of Chapter 32 and the so-called Investment Regulations contained within the Code of Massachusetts Regulations.

The Dukes County Contributory Retirement System consists of 715 active members; 225 inactive members; and 372 retirees. The System is managed by a statutory board of five (5) members with a staff of 2 full-time employees. The present value of assets is \$173,704,236. The System has adopted the statutory Funding Schedule with a present funding percentage of 80.4%.

Proposals for services and proposals for pricing each must contain the following certification:

"The undersigned certifies under penalties of perjury that this proposal has been made and submitted in good faith and without collusion or fraud with any other person. As used in this certification, the word 'person' shall mean any natural person,

business, partnership, corporation, union, committee, club, or other organization, entity or group of individuals." (Fully in compliance with the provisions of M.G.L. Chapter 32 §23B)

Proposals for pricing must be sealed and submitted separately from the proposal for service. Proposals are to be submitted on or before March 10, 2020 at 3:00 p.m. In the event that the Retirement Board office should be closed on March 10, 2020, for any unforeseen reason, proposals will be due by 9:00 a.m. on the next regular business day. The Responses are to be opened at 1:00 p.m. on Thursday, March 12, 2020. Four (4) complete copies shall be submitted. Three (3) of these copies are to be mailed or hand delivered to:

Kelly M. McCracken, Executive Director

Dukes County Contributory Retirement System

**PHYSICAL ADDRESS**            9 Airport Road, Suite 1

Edgartown, MA 02539

**MAILING ADDRESS**            9 Airport Road, Suite 1

Vineyard Haven, MA 02568

One (1) complete copy is to be mailed or hand delivered to:

James H. Quirk, Jr.

James H. Quirk, Jr., P.C.

P.O. Box 268

Yarmouthport, MA 02675-0268

Please include the following documents, fully executed,  
with your proposal for services:

- PERAC Investment Consultant Questionnaire
- PERAC Vendor Certification Form
- PERAC Application for Consultants
- PERAC Disclosure Form
- PERAC Exemption for Consultants Form

In your proposal for pricing please include your proposed contract. Contracts should be for a period not to exceed seven (7) years, subject to the same terms and conditions and at the sole discretion of the Board. Contracts must contain provisions that are required by PERAC in the investment regulations.

As stated above, Proposals will be opened at 1:00 p.m. on

Thursday, March 12, 2020. Prior to the opening of proposals, a firm may correct, modify or withdraw its proposal. Corrections and modifications must be in writing and must be submitted and received in the same manner as the original proposal. Requests to withdraw must be in writing.

At the discretion of the Board, interviews may be scheduled for those firms achieving the highest rating. The Board reserves the right to reject any or all proposals. Awarding of the contract will be as soon as practicable at a date to be determined by the Board.

Please be advised that a contract shall be cancelled if funds are not appropriated or otherwise made available to support continuation of performance in any fiscal year succeeding the first year.

## EVALUATION CRITERIA AND RATINGS

1. Minimum Criteria. Excepting minor informalities, proposals for services not addressing or meeting the Minimum Criteria will be excluded from evaluation.

The following are the minimum criteria:

- a) The firm must be registered as an investment adviser pursuant to the Investment Advisers Act of 1940 (15 U.S.C. 80b - 1 et seq.).
- b) The firm must have at least 5 years working experience in the field of Massachusetts public pension fund investments.
- c) The firm and/or individuals must have at least 5 years working experience with M.G.L. Chapter 32 and the regulations of PERAC, 840 CMR 16.00 through 23.00, including experience in policy restrictions including South Africa and Northern Ireland and tobacco.
- d) A firm representative must be available to meet with the Board on a monthly basis for performance review and monitoring.
- e) The firm must state that all actions and recommendations with respect to the System will be for the sole purpose and benefit of the System.
- f) The firm must agree that the fee schedule shall not be based on a percentage of assets but shall be based on

a fixed dollar amount based on the services included in the contract to be provided.

- g) The firm must agree to comply with applicable provisions of M.G.L. Chapter 32, §23B et seq. and PERAC regulations; including but not limited to 840 CMR 17.04: Standards of Conduct for Qualified Investment Managers and Consultants.

Certification

The firm must certify in writing in the response to this request for proposal as follows:

"The undersigned certifies under penalties of perjury that this proposal has been made and submitted in good faith and without collusion or fraud with any other person. As used in this certification, the word 'person' shall mean any natural person, business, partnership, corporation, union, committee, club, or other organization, entity or group of individuals." (Fully in compliance with the provisions of M.G.L. Chapter 32 §23B)

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Signature of individual submitting bid  
or proposal)

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(Name of firm)

## Rating

Proposals will be rated as advantageous, highly advantageous, not advantageous and unacceptable.

**"Advantageous"** will be assigned to responsive proposals addressing all items and meeting all criteria for each part of the proposal.

**"Highly Advantageous"** will be assigned based on the following: (I) strength, stability and longevity of the firm; (ii) depth of experience and knowledge of the firm and/or individuals with Massachusetts public pension fund investments, including all statutory provisions, rules and regulations; (iii) significant level of experience with Massachusetts public pension systems and regulatory agencies; (iv) length of time of the firm and/or individuals as a working team or unit; (v) scope of research available to monitor and provide services required; (vi) level of ability of firm and/or individuals to provide information, updates and clarification of new and pending legislation; (vii) depth, completeness and clarity of reports; (viii) firm commitment to attend regular and special meetings of the Board beyond those established by the Minimum Criteria; (ix) high level of client satisfaction; and (x) history of providing services that have resulted in meeting and/or exceeding the System's investment rate of return over market cycles.

**"Not Advantageous"** will be assigned for those proposals submitted by firms who have the following: (i) minimal experience with Massachusetts public pension funds and agencies; (ii) minimal experience with Chapter 32 and PERAC regulations; and (iii) minimal experience as a working team or unit.

**"Unacceptable"** will be assigned for those proposals that: (I) fail to meaningfully respond to any item of the Questionnaire; or (ii) fail to submit any document or information required in this Request for Proposal. Note: To avoid an "unacceptable" rating for failure to address any item in this Request for Proposal, any item not applicable to a firm should be so labeled in the response and an explanation should be provided.

LIST OF SERVICES TO BE PROVIDED BY CONSULTANT

1. Review of the Board's existing asset allocation strategy.
2. Review of the Board's existing investment objectives and philosophy insuring annual updates where necessary.
3. Monthly review of investment managers for the following: (i) performance monitoring; (ii) compliance with all statutory and PERAC regulatory provisions; (iii) compliance with the Board's objectives and philosophy; and (iv) compliance with the Board's agreement with the manager(s).
4. Prepare recommendations, as required by the Board, for a methodology for the reduction of fees and charges associated with investments and investment-related issues.
5. Provide information and interpretation of new and pending legislation on any and all public pension fund issues and submit a report to the Board of the impact of such legislation on the System and its members.
6. If it is determined that a search for an investment manager is required, your firm shall do the following; (i) assist the Board with the preparation of a request for proposals; (ii) evaluate all proposals received; (iii) review the evaluation with the Board; (iv) prepare any additional

summaries or reviews as may be required by the Board for those firms the Board may elect to interview; (v) be present during the interview process; and (vi) assist the Board with the preparation of documentation for the PERAC waiver process for the manager selected by the Board; and (vii) provide necessary reporting to PERAC to insure compliance with M.G.L. Chapter 32 §23B.

Note: For each evaluation of an investment-manager, the Board will require a certification as to whether or not there is any association, relationship or affiliation in any form whatsoever, and/or any fees, payments, compensation, gratuities or referrals in any form whatsoever, between, through or by the firm, any individuals in the firm, any subsidiary of the firm and/or any other third party or individual with regard to the investment manager.

7. Other services as determined by the Board to be of assistance in insurance with its Funding Schedule in changing market conditions.