

**EMPLOYEES' RETIREMENT SYSTEM (ERS), STATE OF HAWAII  
HIePRO REQUEST FOR QUOTATIONS  
FOR  
CONSULTING SERVICES ON BOARD OF TRUSTEES GOVERNANCE  
STRUCTURE AND POLICY REVIEW**

**SUMMARY**

**Description:**

The Board of Trustees of the Employees' Retirement System of the State of Hawaii recently created an ad hoc Governance Committee. The Committee is charged with reviewing current Board governance policies and practices to identify potential areas of improvement and seeks the services of an experienced consultant to assist the Governance Committee and the Executive Director. The goal is to identify priority governance improvement opportunities based on leading policies and practices at peer public retirement systems and to develop a governance model customized to ERS's unique requirements.

**Specifications and other provisions:** Please see Attachment A

**Price quote:** Attachment A, section 6

**Work hours:** The ERS' normal work hours are from 7:45 am to 4:30 pm, Hawaii Standard Time, Monday through Friday, except for State holidays.

**Compliance and responsibility:** Pursuant to Hawaii Revised Statutes section 103D-310(c), all offerors, upon award of contract, shall comply with all laws governing entities doing business in the State. (If an offeror does not do, and will not be doing, business in the State in the performance of this contract, the offeror must still show compliance with applicable laws (such as federal tax compliance)). **As such, the ERS encourages offerors to utilize the Hawaii Compliance Express (HCE) to obtain proof of compliance prior to award. Non-compliance may result in an offeror not being awarded a contract.** Offerors may register with HCE at <https://vendors.ehawaii.gov>.

**Deadline for offer:** **May 17, 2019**

**Submittal of offer:** Properly completed Attachment B must be submitted through the Hawaii State eProcurement (HIePRO) at <https://hiepro.ehawaii.gov/welcome.html>.

**Questions:** No

## ATTACHMENT A

### EMPLOYEES' RETIREMENT SYSTEM, STATE OF HAWAII HIePRO REQUEST FOR QUOTATIONS FOR BOARD OF TRUSTEES GOVERNANCE STRUCTURE AND POLICY REVIEW

#### I. Description:

The Board of Trustees of the Employees' Retirement System of the State of Hawaii ("ERS") seeks the services of an experienced consultant to provide assistance in developing a current and fiduciarily appropriate board governance policy.

The ERS administers a defined benefit retirement plan for over 124,000 State and county government employees, retirees and beneficiaries of the State of Hawaii. With over \$16 billion in assets, the ERS provides retirement, disability and death benefits for its members and is a qualified defined benefit public pension plan under Section 401(a) of the Internal Revenue Code. Administration of the ERS falls under the policy and executive direction of the Board of Trustees with certain areas of administrative control vested in the state Department of Budget and Finance.

#### 2. Scope of Work:

The ERS is soliciting proposals for consulting services to perform a comprehensive review of its current governance policies and practices to identify potential areas for improvement. Contractor will identify governance improvement opportunities based upon leading policies and practices at peer public retirement systems and make recommendations to improve ERS's governance.

Consultant's services shall include:

- a. Review ERS governance policies, charters and practices and develop an appropriate peer profile for ERS that can be compared to the policies and practices of its peers.
- b. Survey Board members and executive staff to understand their satisfaction with the current governance structure, committee charters, and policies and practices.
- c. Compare the results of ERS's profile comparison, the Board/Executive staff survey and their own analysis of ERS Governance policies and charters.

- d. Identify areas for potential improvement and further inquiry to Board members and Executives.
- e. Conduct individual interviews with Board Members and Executives.
- f. Prepare a preliminary report that describes preliminary observations and conclusions on what is working well, and how ERS governance could be improved.
- g. Solicit feedback from the full Board and Executives on the preliminary report.
- h. Collaborate with the Board's Ad Hoc Governance Committee and Executive Director to discuss and finalize the report.
- i. Develop/recommend an implementation roadmap that will identify priorities, resources required, roles and a timetable.
- j. Present and discuss recommendations of the final report and implementation roadmap with the full Board of Trustees.

### **3. Qualifications and Mandatory Requirements:**

The organization shall have a successful track record and extensive experience in performing this analysis and consultation with public pension funds of varied memberships, assets and investment strategies and structures with a minimum of five years of governance policy review.

Proposed project team should be identified, and team's knowledge and experience must be thorough and comprehensive.

Consultation and evaluation of governance, strategy, risk and operations to retirement systems must be the primary focus of the provider's organization.

Previous client implementation evaluations and recommendations must be of the highest standard. Consultant must provide contact information for five public pension fund clients for whom the consultant has conducted governance structure and policy review services within the last five years.

**4. Bid Preparation:**

The Attachment B offeror form shall be submitted with the offeror's proposal and price quote. Award shall be based on the highest total points as stated in the evaluation criteria (see addendum to Attachment A.)

**5. Term of services:**

The term of this contract shall be for 8 months options to renew for four (4) months or until final disbursement to ERS.

**6. Pricing:**

Offeror shall fully complete the form attached here as Attachment B and submit the form through HIEPRO at <https://hiepro.ehawaii.gov/welcome.html>.

Offeror's price quotation shall include all fees to be charged by offeror, all costs incurred in or associated with the performance of the services required by this solicitation, Hawaii general excise taxes and all other applicable taxes.

For contract award purposes, any price quotation will be evaluated on a list of criteria. The evaluation will be based on a review of the offeror's proposal with an emphasis on the offeror's experience, expertise, suitability of approach, past references and cost. ERS will award the contract to the responsive, responsible offeror with the highest total points awarded on the evaluation criteria.

**7. Invoicing and payment:**

Payment shall be made to the offeror awarded the contract at the contracted price, upon certification by Executive Director Thomas Williams or his designee, that the required services have been satisfactorily performed. Invoices shall include a detailed description of the services performed and the amount invoiced.

**8. Responsibility of offerors:**

Offeror is advised that in order to be awarded a contract under this solicitation, the offeror will be required to be compliant with all laws governing entities doing business in the State, including the following chapters of the Hawaii Revised Statutes, pursuant to Hawaii Revised Statutes, section 103D-301(c).

- a. Chapter 237, tax clearance;
- b. Chapter 383, unemployment insurance;
- c. Chapter 386, workers' compensation;
- d. Chapter 392, temporary disability insurance;
- e. Chapter 393, prepaid health care; and
- f. Section 103D-310(c), certificate of good standing.

The ERS will verify compliance on the Hawaii Compliance Express (HCE) for award. The HCE is an electronic system that allows offerors doing business in the State to quickly and easily demonstrate compliance with applicable laws. It is an online system that replaced the necessity of obtaining individual paper compliance certificates from the Federal Internal Revenue Service, and the following State Departments: Taxation, Labor and Industrial Relations, and the Commerce and Consumer Affairs.

Offerors should register with HCE prior to submitting an offer at <https://vendors.ehawaii.gov>. The annual registration fee is \$12.00, and the Certificate of Vendor Compliance is accepted for both award and final payment.

## **9. Contact person**

For purposes of this solicitation, Executive Director Thomas Williams designate as primary contact:

Kanoe Margol  
Deputy Director  
Phone: (808) 586-1702  
Email: [kanoe.margol@hawaii.gov](mailto:kanoe.margol@hawaii.gov)

Any questions about this request must be submitted through HIePRO.

Thomas Williams, Executive Director  
Employees' Retirement System of the State of Hawaii  
201 Merchant Street, Suite #1400  
Honolulu, HI 96813

Phone: (808) 586-1700  
Email: [thomas.williams@hawaii.gov](mailto:thomas.williams@hawaii.gov)

**ATTACHMENT A  
ADDENDUM**

**EMPLOYEES' RETIREMENT SYSTEM, STATE OF HAWAII  
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**EVALUATION CRITERIA**

<b>Criteria</b>	<b>Total Points</b>
<b>Proposal:</b>	
Experience and Qualifications	25
Expertise in Governance and Policy Review	25
Suitability of Approach	20
Engagement References	15
Cost	15
<b>Total Possible Points</b>	<b>100</b>