



RELEASE DATE:  
06/27/2021  
R-1 AMEND RELEASE  
DATE 7/18/2022

## **Employees' Retirement System of the State of Hawaii.**

**State of Hawaii eProcurement, (HiePRO)  
Request for Quote, (RFQ) # 22002807**

### **SEALED COMPETITIVE QUOTES for Executive Search Firm Services for Recruitment of ERS Chief Investment Officer, (CIO)**

## **Employees' Retirement System of the State of Hawaii**

#### ***Governance:***

This solicitation is issued under the provisions of Hawaii Revised Statutes (HRS) Chapter 103D and its administrative rules thereof. All Offeror's are charged with presumptive knowledge of all requirements of the cited authorities. Submission of a valid executed proposal by any prospective Offeror shall constitute admission of such knowledge on the part of such prospective offeror.

#### ***eProcurement:***

This is an electronic solicitation. Offered through HiePRO, State of Hawaii eProcurement ([hiepro.ehawaii.gov](http://hiepro.ehawaii.gov)). All offers are to be received in HiePRO by RFQ closure which is 4:00 PM HST on 07/22/2022. Offers are required to be received prior to RFQ closure in order to be considered, no hardcopies will be considered.

#### ***Compliance:***

Offerors are to be duly registered to do business in the State of Hawaii via DCCA registration, ([cca.hawaii.gov/resources](http://cca.hawaii.gov/resources)) and to be compliant in Hawaii Compliance Express (HCE) ([vendors.ehawaii.gov/hce](http://vendors.ehawaii.gov/hce)) by the date/time of this RFQ closure, in order to be considered for award. Offerors are strongly encouraged to submit an HCE Certificate of Vendor Compliance in their proposal package to ensure the State's ability to verify vendor compliance.

#### ***Communication:***

ERS is accepting questions concerning this procurement, see Procurement Timetable, Section 9 in specification. HiePRO Point of Contact for this RFQ is ERS Procurement Office: Steven J. Melendrez, PMO, ([steven.melendrez@hawaii.gov](mailto:steven.melendrez@hawaii.gov) & cc to: [dbf.ers.procure@hawaii.gov](mailto:dbf.ers.procure@hawaii.gov)).

Mr. Thomas Williams, Procurement Officer  
Executive Director

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**ATTACHMENT A**  
**EMPLOYEES' RETIREMENT SYSTEM, STATE OF HAWAII**  
**HlePRO REQUEST FOR QUOTATION**  
**EXECUTIVE SEARCH FIRM SERVICES**

**1. DESCRIPTION**

The Board of Trustees of the Employees' Retirement System of the State of Hawaii ("ERS Board") and Executive Director is searching for an experienced executive to become the Chief Investment Officer (CIO) for the Employees' Retirement System of the State of Hawaii ("ERS" or "System"). This Request for Quotation is to obtain the services of an executive search firm to assist the ERS Board and Executive Director in its search for a CIO.

The ERS is one of the largest public pension funds in the country with over 149,000 members, retirees and beneficiaries and assets in excess of \$ 22 billion. The ERS administers the retirement, disability and survivor benefits program for State of Hawaii ("State") and county government employees. The general administration and responsibility for the proper operation of the ERS is vested in the ERS Board, with certain areas of administrative control vested in the State Department of Budget and Finance.

The CIO will be responsible for the oversight of ERS' \$22+ billion investment portfolio, managing a staff of 8 individuals (including a Deputy CIO, 5 Investment Officers, 1 Investment Specialist and a Secretary). The CIO will also be responsible for directing and overseeing 50 external liquid markets managers, 125 private markets managers and over 180 strategies.

Responsibilities include the formulation, evaluation, and implementation of investment policies, procedures, and strategic plans that seek to achieve appropriate ERS funding needs; and preparation of reports that present viable options and recommended actions. Other parties involved in the ERS investment process include its 8-member Board of Trustees, Executive Director, Deputy Executive Director, Investment Office and its staff, and general, private equity and real estate investment consultants.

The CIO provides leadership and direction to the Investment Office and its staff in the productive and prudent investment of all trust funds, which include, but are not limited to:

1. Responsible oversight of ERS's investment portfolio; monitors and oversees ERS's external investment management firms.
2. Meets with investment managers to perform due diligence, review performance and to monitor compliance with investment policies and procedures, and contractual guidelines.
3. Develops search criteria for new investment managers; participates in the evaluation and selection of investment managers; negotiates fees and contracts; and recommends the termination of investment managers, if necessary.

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4. Develops search criteria for investment consultants; participates in the evaluation and selection of investment consultants; negotiates fees and contracts; and recommends the termination of investment consultants, if necessary.
  5. Oversees security lending and commission recapture programs.
  6. Formulates, evaluates, recommends and implements investment policies and procedures for all asset classes. Conducts ongoing review and maintains the System's Investment Policy Manual.
  7. Monitors performance benchmarks, risk characteristics and performance attribution analysis for the fund, asset classes and individual investment managers.
  8. Develops and implements long- and short-term asset allocation strategic plans. Develops programs to efficiently implement asset allocation decisions, including securities trading and cash management.
  9. Develops search criteria, evaluates and participates in the selection of asset transition management firms.
  10. Advises the Board on a quarterly basis of cash flow requirements and the availability of funds for investment.
  11. Develops and implements investment education and training programs for Board and ERS staff.
  12. Reviews proposed legislation on matters dealing with the ERS's investment programs. Drafts legislative proposals, testimonies and administrative rules.

The ideal candidate will be a seasoned leader with strong experience working with external investment managers and mentoring/developing staff; have a thorough understanding of risk management; and have excellent written and verbal communication skills. The CIO must be a strategic thinker, strong manager, team player, and one capable of leading change in a collaborative environment.

Minimum qualifications include:

- Bachelor's degree in business, economics, and/or finance. A CFA and/or graduate degree in business administration or a related field is strongly preferred.
- Minimum of five years institutional investment experience and supervisory experience.
- Must be a citizen, national, or permanent resident alien of the United States. Non-citizens with unrestricted employment authorization from the U.S. Immigration and Naturalization Service may also apply.
- Must be or become a resident of the State of Hawaii within thirty days after beginning employment and as a condition of eligibility for continued employment.

The CIO salary is determined by the ERS Board of Trustees and will be based upon experience and capabilities of the candidate. The previous CIO was paid an annual salary in excess of \$300,000. The State of Hawaii is an equal opportunity employer.

Interested offerors should note that the ERS Board's current plan requires that the CIO search begin immediately and for the entire search process to be completed within a fairly constricted schedule. See Scope of Work Section 2.1.

## **2. SCOPE OF WORK**

The Executive Search Firm selected will be the primary contact and resource to the ERS Board's Compensation Review Committee ("Search Committee") during the search process for the permanent CIO. Offeror's response to this RFQ shall include a full proposal of their firm, answering all items in this specification, shall annotate and upload in their proposal attachment forms OF-1 and Attachment B and shall attach a signed confidentiality agreement, located in HlePRO attachment section.

### **The Executive Search Firm responsibilities shall include:**

- 2.1 Review the draft timeline for CIO Recruitment, set by the Search Committee to ensure the timeline expectations are mutually acceptable (see Attachment C). If not acceptable, propose revised timeline for Search Committee's consideration. The entire search process concluding with the final selection of the CIO is expected to be completed within 4-5 months from the time the award of this solicitation is made.
- 2.2 Assist Search Committee in finalizing the CIO's position description and qualifications if needed. Discuss with Search Committee and/or its designee recruiting, screening, interview, and evaluation processes, if and as needed.
- 2.3 Coordinate placement of advertising in newspapers and other media (e.g., Pension & Investments) in accordance with directions from the Search Committee and/or its designee, and ensure timely ad postings.
- 2.4 Receive and screen resumes; act as point of contact for candidate inquiries; keep candidates informed of process and their status.
- 2.5 Identify potential candidates through screening of resumes and preliminary interviews.
- 2.6 Select qualified candidates for presentation to the Search Committee.
- 2.7 Facilitate scheduling of interviews with prospective candidates; provide consultation on interview questions and techniques if needed; provide pre-briefing and debriefing with Search Committee and ERS Board for all interviews.
- 2.8 Schedule and coordinate second or third interviews as necessary before selection of final candidates.
- 2.9 Assist Search Committee to select the final candidates for the ERS Board's consideration.
- 2.10 Schedule and coordinate interviews of the final candidates with the ERS Board.
- 2.11 Conduct detailed reference checks (minimum of three) and background checks for the final candidates.
- 2.12 Assist the ERS Board with the final selection.
- 2.13 Assist the Search Committee and/or its designee in negotiating compensation and benefit package; help develop a mutually beneficial arrangement and ensure everyone is well-informed about the status of the negotiations and offer.
- 2.14 Facilitate the transition from acceptance of offer by the selected candidate to his or her employment.
- 2.15 Communicate as appropriate with candidates not selected.

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### **3. OFFEROR QUALIFICATION**

- 3.1 Offerors shall have a minimum of five (5) years of experience performing executive searches for a large complex organization. Examples include, but are not limited to, searches for a Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Investment Officer, President, Vice President, Treasurer, or comparable executive level positions. Examples of searches that would not qualify include searches for an Accounting Manager, Information Technology Manager, etc.
- 3.2 Offerors shall have conducted an executive search within the past five (5) years for a minimum of three (3) large complex organizations.
- 3.3 Offerors must have the ability to meet either in person or virtually via TEAMS or equivalent application with the ERS Board, management and staff during ERS business hours.
- 3.4 Offerors must fully complete and submit ATTACHMENT B, HlePRO Request for Quotation.

### **4. TERM OF SERVICES**

- 4.1 The ERS Board's current plan requires that the CIO search begin immediately. Consequently, the Executive Search Firm selected will need to initiate the search, review and screening of applicants and provide its recommendations and assessments to the ERS on a fairly constricted schedule, but in accordance with a timeline agreed upon between the Executive Search Firm and the Search Committee. See Scope of Work, Section 2.1

### **5. PRICING**

- 5.1 Offeror shall fully complete and submit the HlePRO Request for Quotation form attached as Attachment B.
- 5.2 Offeror's price quotation shall be a fixed fee that shall include: (a) all fees to be charged by Offeror; (b) all costs incurred in or associated with performing the services required under the Scope of Work, Section 2, except for the placement of advertising as per Section 5.3 below. The contract will be awarded to the most responsive and responsible offeror with the lowest total price quotation.
- 5.3 ERS will pay directly to publications for the cost of all advertisements for the CIO position that are placed in accordance with the Scope of Work, Section 2.3, under separate cover. Aside from this, the offeror selected shall be responsible for all costs incurred in or associated with performing the services required under the Scope of Work, Section 2.
- 5.4 For contract award purposes, any price quotation that is based on a percentage of salary will be evaluated using a salary of \$300,000. The award shall not exceed the lowest fixed fee proposal of a responsive and responsible offeror not awarded the contract.

## 6. INVOICING AND PAYMENT

Payment shall be made to the contractor awarded the contract at the contracted price upon certification by Executive Director Thomas Williams or his designee that the contractor has satisfactorily performed the required services. Invoices shall contain a detailed description of the services performed, the costs paid, the amount invoiced, and the purchase order authorizing the work.

## 7. RESPONSIBILITY OF OFFERORS

Offeror's are advised that in order to be awarded a contract under this solicitation, the vendor/contractor/service provider 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 ("HRS") and pursuant to HRS § 103D-310(c):

1. Chapter 237, tax clearance.
2. Chapter 383, unemployment insurance.
3. Chapter 386, workers' compensation.
4. Chapter 392, temporary disability insurance.
5. Chapter 393, prepaid health care; and
6. Section 103D-3 10(c), Certificate of Good Standing for entities doing business in the State.

### a. Compliance.

Offerors are to be duly registered to do business in the State of Hawaii via DCCA registration, ([cca.hawaii.gov/resources](http://cca.hawaii.gov/resources)) and to be compliant in Hawaii Compliance Express (HCE) ([vendors.ehawaii.gov/hce](http://vendors.ehawaii.gov/hce)), by the date and time of this RFQ closure, in order to be considered for award. Offerors are strongly encouraged to submit an HCE Certificate of Vendor Compliance in their proposal package to ensure the State's ability to verify vendor compliance.

## 8. COMMUNICATIONS:

For purposes of this solicitation, Executive Director Thomas Williams or his designee is the contact person. Any questions about this solicitation must be submitted to and shall be answered from HlePRO questions and answer section. Mr. Williams's contact information is 808-586-1700 and email [Thomas.Williams@hawaii.gov](mailto:Thomas.Williams@hawaii.gov). His mailing address is Employees' Retirement System of the State of Hawaii, 201 Merchant Street, Suite #1400, Honolulu, HI 96813. A standard ERS purchase order will be issued to the awardee for this solicitation.

## 9. RFQ TIMETABLE SCHEDULE:

The schedule represents the State's best estimate for this RFQ time table. If a component of the schedule is delayed, the remainder may be delayed by the same number of days. Any changes to the Schedule shall be made by a written addendum posted in HlePRO. The estimated time table is as follows:

<b>Release of Request for Quote</b>	<b>06/27/2022</b>
<b>Questions received due date:</b>	<b>07/08/2022 4:00 PM HST</b>
<b>Questions answered response date:</b>	<b>07/13/2022</b>
<b>Offers due date/RFQ close date</b>	<b>07/22/2022 4:00 PM HST</b>
<b>Offers evaluation</b>	<b>07/22 - 07/28/22</b>
<b>Award Decision</b>	<b>07/29/2022</b>
<b>Contract Start date:</b>	<b>08/04/2022</b>
<b>Contract End date:</b>	<b>11/04/2022</b>

## ATTACHMENT C

### TIMELINE FOR CHIEF INVESTMENT OFFICER (CIO) RECRUITMENT

DESCRIPTION OF TASK	ESTIMATED COMPLETION DATE OR COMPLETED DATE	COMMENTS
1. Procure Executive Search Firm	Week of August 1, 2022	
2. Adhoc Committee for CIO Search: work with Executive Search Firm to finalize CIO search criteria	Week of August 8, 2022	
3. Adhoc Committee for CIO Search to conclude CIO search	Week of Sept. 12, 2022	
4. Adhoc Committee for CIO Search: determine Finalists for ERS Board's consideration	Week of Sept. 19, 2022	
5. Executive Search Firm to schedule interviews with CIO finalists	Week of Sept. 26, 2022	
6. ERS Board to conduct interviews	Week of Oct. 3, 2022	Suggest one (1) all day or two (2) half days.
7. References and other background checks by Executive Search Firm	Week of Oct. 10, 2022	
8. Final CIO Selection made by ERS Board	Week of Oct. 17, 2022	
9. ERS to process State paperwork for hiring CIO	Week of Oct. 24, 2022	
10. CIO start date	Dec. 2022 / Jan. 2023	

**HIePRO RFQ 22002807,  
Executive Search Firm Services for Recruitment of ERS CIO**

**OFFER FORM OF-1  
OFFEROR'S IDENTIFICATION**

Procurement Officer  
Employees' Retirement System  
201 Merchant Street, Suite 1400  
Honolulu, Hawaii 96813

**Dear Procurement Officer:**

The undersigned has carefully read and understands the terms and conditions specified in the Specifications and the General Conditions and agrees to same. Offerer hereby submits the following offer to perform the work as specified in this RFQ, in accordance with the true intent and meaning thereof. The undersigned further understands and agrees that by submitting this offer, 1) he/she is declaring his/her offer is not in violation of Chapter 84, Hawaii Revised Statutes, concerning prohibited State contracts, and 2) he/she is certifying that the price(s) submitted was (were) independently arrived at without collusion.

Offerer is: ☐ Limited Liability      ☐ Corporation ☐ Limited Partnership      ☐ Non-profit  
☐ Other: \_\_\_\_\_

State of Incorporation: \_\_\_\_\_

Federal Employer ID No.: \_\_\_\_\_ Hawaii Tax No.: \_\_\_\_\_

**Payment Address:** \_\_\_\_\_ (if different from business address):

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

**Business Address:** \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Respectfully submitted,

Date: \_\_\_\_\_

Signature of Authorized Official

Telephone #: \_\_\_\_\_

Fax #: \_\_\_\_\_

\_\_\_\_\_  
Name and Title of Authorized Official

E-mail Address: \_\_\_\_\_

**\* Legal Name of Offerer's Company**

Furnish the exact legal name of the entity under which the awarded contract will be executed. Offerer to attach to this OF-1 document, a Notary's Notarization verification page attesting to the authenticity of the signature placed on this document. .



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**ATTACHMENT B**  
**HIePRO RFQ 22002807,**  
**Executive Search Firm Services for Recruitment of ERS CIO**

**Offeror 's Name, Qualifications, Price Quote & References:**

**1. Offeror Name:** \_\_\_\_\_

**2. Offeror Address:** \_\_\_\_\_

**3. Offeror's contact information**

Name: \_\_\_\_\_

Telephone No. \_\_\_\_\_

Email Address \_\_\_\_\_

Fax No. \_\_\_\_\_

**4. Qualification Requirements:** Offeror shall comply with ALL the following qualification items as described in Attachment A, OFFEROR QUALIFICATIONS, Section 3. Any non-compliance (i.e., any "No" answers) will result in the offeror not qualifying for this award.

- a. Offeror has a minimum of five (5) years of experience performing executive searches for a large complex organization. Yes \_\_\_\_ No \_\_\_\_
- b. Offeror has conducted an executive search within the past five (5) years for at least three (3) large complex organizations. Contact information for these executive searches must be provided in response to Item 6 below. Yes \_\_\_\_ No \_\_\_\_
- c. Offeror has the ability to meet either in person or virtually via TEAMS or equivalent application with the Employees' Retirement System Board of Trustees, ERS management and ERS staff during ERS business hours. Yes \_\_\_\_ No \_\_\_\_

**5. Price Quote**

Offeror to provide Executive Search Services price quotation in accordance with **Attachment A, PRICING**, Section 5.2:

Offerer Total Price Quote for Services below are to be fully encumbered, firm and fixed, lump sum inclusive of all labor, product, taxes and fees but does not include the **cost of advertising**, as noted in Section 5.3 pricing, which shall be reimbursed back to the awardee under separate cover.

**Total Price Quote for Services:** \$ \_\_\_\_\_

This total price quote, Offeror is to place this quote in HIePRO in total amount offer section for the job.

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## REFERENCES

- 6. List of 3 clients from the past 5 years where offeror conducted an executive search for a large complex organization. Offeror hereby authorizes the Employees' Retirement System of the State of Hawaii to contact these clients.**

a. Client 1 Name: \_\_\_\_\_

Client 1 Contact information:

Telephone No. \_\_\_\_\_

Email Address \_\_\_\_\_

Fax No. \_\_\_\_\_

Address \_\_\_\_\_

Period worked with \_\_\_\_\_

b. Client 2 Name: \_\_\_\_\_

Client 2 Contact information:

Telephone No. \_\_\_\_\_

Email Address \_\_\_\_\_

Fax No. \_\_\_\_\_

Address \_\_\_\_\_

Period worked with \_\_\_\_\_

c. Client 3 Name: \_\_\_\_\_

Client 3 Contact information:

Telephone No. \_\_\_\_\_

Email Address \_\_\_\_\_

Fax No. \_\_\_\_\_

Address \_\_\_\_\_

Period worked with \_\_\_\_\_

\_\_\_\_\_  
Signature: Offeror's Representative

Date: \_\_\_\_\_

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title