



DAVID Y. IGE
GOVERNOR

THOMAS WILLIAMS
EXECUTIVE DIRECTOR

KANOE MARGOL
DEPUTY EXECUTIVE DIRECTOR

**STATE OF HAWAII
EMPLOYEES' RETIREMENT SYSTEM**

November 15, 2022
Addendum No. 3
To
REQUEST FOR PROPOSALS
Investment Consultant Services
RFP 2022-05
Issued September 20, 2022

OFFERORS: Please replace the original RFP pages 2,13 & 14 with the attached pages (revised: 11/15/2022) with changes as follows:

1) Page 2 of 39 (revised 11/15/2022), V. Procurement Timetable: Changes to the following three dates, matter being deleted is stricken through, matter being inserted is highlighted):

| | |
|---|--|
| ERS Visits to Offerors' Facilities (optional at ERS's discretion) | January 9-13 9-20 , 2023 |
| Best and Final Offers Due | January 20 30 , 2023 |
| Oral Presentations (in Honolulu at ERS's discretion) | February 6-10 20-24 , 2023 |

2) Page 13 of 39 (revised 11/15/2022) contains the following changes (matter being deleted is stricken through, matter being inserted is highlighted):

V. Phase 2 – Establishment of Priority List of Offerors

All offerors who pass Phase 1, Evaluation of Minimum Qualifications and Mandatory Requirements, shall be classified as "acceptable." If there are more than three "acceptable" offerors, the Evaluation Committee will evaluate all proposals and establish a priority list of ~~no more than~~ **at least** three (3) offerors who received the best preliminary evaluations. The order, priority and points to be applied to each evaluation criteria are as follow:



Employees' Retirement System
of the State of Hawaii

City Financial Tower • 201 Merchant Street, Suite 1400 • Honolulu, Hawaii 96813-2980
Telephone (808) 586-1735 • Fax (808) 586-1677 • <http://ers.ehawaii.gov>

3) Page 14 of 39 (revised 11/15/2022) contains the following changes (matter being deleted is stricken through, matter being inserted is highlighted):

VI. Phase 3 – Site Inspections; Interviews with Priority-Listed Offerors

During the course of this phase, the ERS Board of Trustees may conduct interviews with the priority-listed offerors in Honolulu during February ~~6-10~~**20-24**, 2023.

The ERS may conduct inspections of priority-listed offerors' facilities January ~~9-13~~**9-20**, 2023, or as can be conveniently scheduled.

I. Phase 4 – Best and Final Offerors

The priority-listed offerors' best and final offer must be received by the Procurement Officer no later than 4:30 p.m. HST on January ~~20~~**30**, 2023. If the Procurement Officer does not receive a best and final offer from a priority-listed offeror, the immediate previous offer will be construed as the priority-listed offeror's best and final offer.



Thomas Williams
Executive Director

attachments

implementing Administrative Rules. All prospective offerors are charged with presumptive knowledge of all requirements of the cited authorities. Submission of a valid executed proposal by any prospective offeror shall constitute a representation of such knowledge on the part of such prospective offeror.

IV. Procurement Officer and Contract Administrator

This RFP is issued by the Employees' Retirement System of the State of Hawaii. The individual listed below is the Procurement Officer and Contract Administrator for this procurement.

Mr. Thomas Williams, Executive Director
Employees' Retirement System of the State of Hawaii
City Financial Tower
201 Merchant Street, Suite 1400
Honolulu, HI 96813
Phone: (808) 586-1700
Fax: (808) 586-1677

V. Procurement Timetable

Listed below are the important actions and corresponding final dates by which the actions must be taken or completed. **Offerors are notified that these dates are estimated by the ERS and are subject to change at the discretion of ERS. The ERS reserves the right to change any date(s) as deemed necessary and in the best interest of the ERS.** If ERS decides to change a date for any reason, notification will be given via the addendum process described in Paragraph XIII of this section.

| Actions | Date |
|---|---|
| RFP Available to Prospective Offerors | September 20, 2022 |
| Closing Date for Submission of Questions | October 7, 2022 by 4:30 p.m., H.S.T. |
| ERS's Response to Offerors' Question | October 21, 2022 |
| Closing Date for Receipt of Proposals | November 1, 2022 by 4:30 p.m., HST |
| Determination of priority-listed offerors | November 2-15, 2022 |
| ERS Visits to Offerors' Facilities (optional at ERS's discretion) | January 9-20, 2023 |
| Best and Final Offers Due | January 30, 2023 |
| Oral Presentations (in Honolulu at ERS's discretion) | February 20-24, 2023 |
| Contractor Selection and Award (approximately) | March 13, 2023 |

Priority-listed offerors selected in accordance with Paragraph V of the Proposal Evaluation section of this RFP will be required to make a presentation sometime during February 20-24, 2023 in Honolulu, Hawaii. Priority-listed offerors will be contacted by the ERS staff to arrange a specific time and location for the presentation.

- Offeror must provide investment consulting services to at least one public retirement system defined benefit client with assets greater than \$5 billion.
- Offeror must be based in the United States. "Based in the United States" means that offeror's principal place of business is in the United States and that offeror is subject to service of process in the United States.
- The primary consultant assigned to the ERS account shall have a minimum of ten (10) years experience providing domestic and international investment consulting services to public pension plans.

The mandatory requirements are submission of:

- Cover Letter.
- Questionnaire Responses
- Form ADV (Parts 1 and 2)
- Code of Ethics
- References
- Financial Statement.
- Fee Proposal
- Sample reports (performance, research, manager search, asset/liability modeling, etc.)
- Minimum Qualifications Certification.

V. Phase 2 – Establishment of Priority List of Offerors

All offerors who pass Phase 1, Evaluation of Minimum Qualifications and Mandatory Requirements, shall be classified as "acceptable." If there are more than three "acceptable" offerors, the Evaluation Committee will evaluate all proposals and establish a priority list of at least three (3) offerors who received the best preliminary evaluations. The order, priority and points to be applied to each evaluation criteria are as follow:

| CRITERIA | POINTS |
|--|------------|
| Ability, including resources, knowledge, and independence of judgment and avoidance of conflicts of interest, to perform the services referred to in the RFP | 40 |
| Stability and relevant history and experience of the firm and the individual consultants proposed for the ERS | 25 |
| Philosophy, process, soundness of approach and understanding of the needs of the ERS | 25 |
| Client references | 10 |
| Fees | 0 |
| | |
| Total | 100 |

VI. Phase 3 – Site Inspections; Interviews with Priority-Listed Offerors

During the course of this phase, the ERS Board of Trustees may conduct interviews with the priority-listed offerors in Honolulu during February 20-24, 2023.

The ERS may conduct inspections of priority-listed offerors' facilities January 9-20, 2023, or as can be conveniently scheduled.

VII. Phase 4 – Best and Final Offerors

The priority-listed offerors' best and final offer must be received by the Procurement Officer no later than 4:30 p.m. HST on January 30, 2023. If the Procurement Officer does not receive a best and final offer from a priority-listed offeror, the immediate previous offer will be construed as the priority-listed offeror's best and final offer.

VIII. Phase 5 – Final Evaluation of Proposals

During this phase, the ERS will conduct final evaluations of the priority-listed offerors' proposals in accordance with the following criteria:

| CRITERIA | POINTS |
|--|---------------|
| Ability, including resources, knowledge, and independence of judgment and avoidance of conflicts of interest, to perform the services referred to in the RFP | 30 |
| Fees * Lowest fee for first 3 years = 15 points **Lowest fee for 6 years = 10 points | 25 |
| Stability and relevant history and experience of the firm and the individual consultants proposed for the ERS | 20 |
| Philosophy, process, soundness of approach and understanding of the needs of the ERS | 20 |
| Client references | 5 |
| Total | 100 |

***Formula for determining allocation of points for fee for the first 3 years:**

allocated points = (\$ amount of the lowest fee proposal x 15) + \$ amount of the fee proposal being evaluated

****Formula for determining allocation of points for fee for six years:**

allocated points = (\$ amount of the lowest fee proposal x 10) + \$ amount of the fee proposal being evaluated

IX. Phase 6 – Award

The ERS Board of Trustees will make the final selection.