

**MISSISSIPPI OFFICE OF THE STATE  
TREASURER**



**REQUEST FOR PROPOSALS  
RFP # 3120001601**

**INVESTMENT CONSULTING SERVICES FOR  
MISSISSIPPI PREPAID AFFORDABLE  
COLLEGE TUITION FUND**

**JANUARY 10, 2019**  
INVESTMENT CONSULTING SERVICES  
REQUEST FOR PROPOSALS

## TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
I. General Information for Respondents	3
II. Scope of Services	9
III. Additional Information for Respondents	11
IV. Evaluation	15
V. Terms and Conditions	19
Appendix A – Minimum Qualifications Certification	26
Appendix B – Management Questionnaire	27
Appendix C – Technical Questionnaire	29
Appendix D – Fee Proposal	31
Appendix E – Representation Regarding Contingent Fees	32

**SECTION I**  
**GENERAL INFORMATION FOR RESPONDENTS**

**1.1 PURPOSE OF RFP**

The Office of the State Treasurer of Mississippi herein referred to as “OST” and the Board of Directors of the College Savings Plans of Mississippi are seeking proposals regarding the provision of investment consulting services for the Mississippi Prepaid Affordable College Tuition (MPACT) Fund.

**1.2 OVERVIEW OF THE MPACT PROGRAM**

The Mississippi Prepaid Affordable College Tuition (MPACT) Fund is a trust fund managed for the payment of tuition as required by contracts between the State and purchasers of the contracts. Monies received from purchasers of the MPACT contracts provide some of the cash flow used to satisfy the payment of benefits to institutions of higher learning on behalf of matriculating students. In addition to the payments received from the purchasers of MPACT contracts, the program is also funded in part from the dividends, interest and gains from the assets under management. The MPACT fund is managed within an actuarial framework, so the fund does have a target rate of return in order to grow the fund to a size that will be able to accommodate future obligations.

The MPACT Fund is overseen by the College Savings Plans of Mississippi Board of Directors (the “Board”). The Board is composed of nine (9) voting members. Five board members are appointed by the Governor, one from each of the State’s five congressional districts resulting from the 1990 census. The other four *ex-officio* board members are the State Treasurer, the Executive Director of the Department of Finance and Administration, the Commissioner of Higher Education, and the Executive Director of the Community and Junior College Board. There are also four legislative advisors to the Board, two appointed by the Lieutenant Governor and two appointed by the Speaker of the House of Representatives. The Treasurer serves as Chairman. Any action taken with regard to the investments of the funds, including changes in investment management, investment policy, asset allocation, etc, must be approved by the Board of Directors.

As of September 30, 2018, the MPACT Fund had \$315.2 million in assets under management. The fund employs ten different investment managers with an asset allocation including domestic and international equities, fixed income, and real estate investments. The relevant statute governing the investments of the MPACT Fund is MISS. CODE ANN. §37-155-1 to §37-155-27.

**1.3 GLOSSARY OF TERMS**

Board - The Board of Directors of the College Savings Plans of Mississippi.

Contract - The document developed as a result of this RFP which shall incorporate, among other provisions, the contents of this RFP, amendments to this RFP, and the successful Respondent's response to meet the requirements of this RFP.

Contractor - The successful Respondent who is awarded a contract by the Board as a result of this RFP.

CSPM - The College Savings Plans of Mississippi

MPACT - The Mississippi Prepaid Affordable College Tuition Program. May also be referred to as Program.

OST - The Office of the State Treasurer

Proposal - All materials submitted by Respondents in response to this RFP.

Respondent - Any firm, group, or person who submits a proposal to the Board in response to this RFP. May also be referred to as Vendor.

RFP - Request for Proposals for investment consulting services, dated January 10, 2019.

State - The State of Mississippi and its departments, agencies, boards, commissions, officials, consultants and employees.

State Treasurer - The Treasurer of the State of Mississippi

Procurement Officer - Any agency personnel duly authorized to enter into and administer contracts and make written determinations with respect thereto. The term also included an authorized agency representative acting within the limits of authority.

#### **1.4 RESPONSE AND PROPOSAL FORMAT**

- A. Each proposal must address in writing each requirement in all sections of this RFP and must be in the same format and sequence as the details presented herein. The requirements stated in this RFP should be considered mandatory unless otherwise stated. Any failure to respond to a specific requirement may be the basis for a Respondent being eliminated from consideration.
- B. The Board reserves the right to accept or reject any and all proposals and/or part thereof and to award the issuing contract in the best interest of OST and the State of Mississippi. The contents of this RFP and the proposal submitted will be incorporated by reference in any final contract.
- C. The information submitted by any Respondent will be used by OST for a technical and cost evaluation. OST reserves the right to use any information which it obtains through the RFP process in order to evaluate the proposals and make the award.
- D. The evaluation committee will be scoring the technical and cost criteria blindly. Respondents should submit their technical and cost data so that it can be separated from

the pricing and management information. The technical and cost information should not contain the company name, logo, slogan, or any identifying symbols. OST staff will review proposals to ensure all names, logos, slogans, etc. are redacted for scoring.

#### **1.5 COST OF DEVELOPING AND SUBMITTING PROPOSALS**

Neither OST, the State Treasurer, the Board, nor the State of Mississippi is liable for any of the costs incurred by a Respondent in preparing and/or submitting a proposal in response to this RFP

#### **1.6 PROPERTY OF OST**

All proposals become the property of OST upon receipt and will not be returned to the Respondent once opened. OST has the right to use any and all ideas or adaptations of ideas contained in any proposal received in response to this RFP. Selection or rejection of the proposal will not affect this right. Proposals become public documents upon submission. However, prospective Contractors may designate those portions of the proposal which contain trade secrets or other proprietary data to remain confidential in accordance with Mississippi Code Annotated §25-61-9 and §79-23-1.

#### **1.7 ACCEPTANCE OF PROPOSAL CONTENT**

The content of the proposal of the successful Respondent, or parts thereof, together with the specifications contained in this RFP, will become part of any duly issued contract between the Board and the successful Respondent. Failure of the Respondent to accept these provisions may result in cancellation of the award.

#### **1.8 STANDARD CONTRACT**

The Board reserves the right to incorporate standard State of Mississippi contractual provisions into any agreement executed as a result of this RFP. Appropriate State contract laws, terms, and conditions will apply. The contract will be reviewed by the Board's legal counsel as to legality of form and compliance with State laws and the terms and conditions of this RFP. Once a final contract is agreed upon, said contract is subject to approval by the State of Mississippi's Public Procurement Review Board before final implementation.

#### **1.9 PERIOD OF CONTRACT**

The duration of any contract resulting from this RFP shall be for a period of three (3) years, with two (2) optional one-year renewals, contingent upon acceptable performance by the Contractor and sufficient monies being appropriated by the State Legislature.

#### **1.10 TIMETABLE**

The following time schedule will be strictly adhered to in all actions relative to this procurement:

- A. RFP to be issued on or about January 10, 2019.
- B. Written questions, if any, about the RFP shall be directed to and received by OST no later than 3:30 p.m. Central Standard Time on January 24, 2019.
- C. Written responses to any and all questions received from Respondents, along with any addendum to the RFP resulting from the questions received, will be sent to all Respondents by January 31, 2019.
- D. Deadline for proposal submission is February 11, 2019 at 3:00 pm CST. Any proposals not received by this time will not be considered. Proposals should be delivered to the same address as under section 3.6.A below.
- E. The Board has the right to waive minor defects or variations of a proposal from the exact requirements of the specifications that do not affect the price, quality, quantity, delivery, or performance time of the services being procured. If insufficient information is submitted by a respondent with the proposal for the Board to properly evaluate the proposal, the Board has the right to require such additional information as it may deem necessary after the time set for receipt of proposals, provided that the information requested does not change the price, quality, quantity or performance time of the services being procured.

### **1.11 PROPOSAL DEADLINE**

It is the Respondent's responsibility to assure that their proposal is delivered to OST no later than 3:00 p.m. CST, February 11, 2019. All proposals will be opened after that time. OST is not responsible for receipt of any response that is improperly labeled or lost and/or late delivery of responses. Late proposals may not be accepted and will be returned unopened to the Respondent. Proposals by fax, telephone, or email will not be considered. A proposal may not be altered after the opening.

### **1.12 PRIMARY RESPONSIBILITY FOR DELIVERING SERVICES**

The Respondent whose proposal is selected will be expected to assume direct responsibility to OST for providing the services of Investment Consultant. Accordingly, the successful Respondent will be expected to designate a specific person(s) to work with OST staff in making certain that all contract terms are strictly observed.

### **1.13 DEFAULT**

Failure to perform according to this RFP, the proposal, and/or a resulting contract shall be cause for the Contractor to be found in default and shall be sufficient grounds for termination of the contract.

#### **1.14 ASSIGNMENT**

Any contract issued pursuant to this RFP is not assignable except with the prior written approval of OST.

#### **1.15 NEWS RELEASES**

OST is the only entity authorized to issue news releases relating to this RFP, its evaluation, and award of any contract and performance there under.

#### **1.16 ANNUAL APPROPRIATIONS**

OST's performance and obligations pursuant to this RFP and any resulting contract are contingent upon an annual appropriation from the Mississippi Legislature.

#### **1.17 LEGAL REQUIREMENTS**

Applicable provisions of all federal and State of Mississippi laws shall govern development, submittal, and evaluation of all proposals received in response to this RFP and shall govern any and all claims and disputes which may arise between persons submitting a response hereto and OST. Lack of knowledge by any Respondent shall not constitute a cognizable defense against the legal effect thereof.

#### **1.18 BENEFIT**

Any contract resulting from this RFP is for the benefit of OST, the participants and qualified beneficiaries of the Program, and the Contractor. Such contract is not for the benefit of any third party or person.

#### **1.19 OWNERSHIP OF MATERIALS**

All materials and data produced for OST under a contract resulting from this RFP shall be owned by OST unless otherwise agreed to in writing by OST.

#### **1.20 TAXES**

OST shall have no responsibility for the payment of any federal, state, or local taxes which become payable by the Contractor as the result of a contract resulting from this RFP.

#### **1.21 INVOICING INFORMATION**

OST cannot prepay for services rendered or goods delivered. Therefore, all invoices must be submitted in arrears. All Respondents must state in their proposal the invoicing interval, *i.e.*, monthly, quarterly, etc. that they intend to use.

### **1.22 CERTIFICATION OF INDEPENDENT PRICE DETERMINATION**

The respondent certifies that the prices submitted in response to the solicitation have been arrived at independently and without - for the purpose of restricting competition - any consultation, communication, or agreement with any other respondent or competitor relating to those prices, the intention to submit a proposal, or the methods or factors used to calculate the prices proposal.

### **1.23 ACKNOWLEDGEMENT OF AMENDMENTS**

If any amendments to this RFP are issued prior to the due date for proposals, respondents shall acknowledge receipt of any amendment to the solicitation by signing and returning the amendment with the proposal, by identifying the amendment number and date in the space provided for this purpose on the proposal form, or by letter. The acknowledgment must be received by OST by the time and at the place specified for the receipt of proposals.

### **1.24 DISCUSSIONS**

Discussions may be conducted with respondents who submit proposals determined to be reasonably susceptible of being selected for award, but proposal may be accepted without such discussions.

### **1.25 TYPE OF CONTRACT**

This contract will be a fixed price contract with payments made upon completion of tasks identified by each component identified within the proposal.



## **SECTION II SCOPE OF SERVICES**

Under the direction of the Board and OST staff, the services to be provided by the investment consulting firm shall include but are not limited to the following:

### **2.1 CONSULTING SERVICES**

- Develop and recommend an Asset Allocation Policy for the MPACT fund. Present this policy to the Board and Treasury staff and review policy on an annual basis or as circumstances in the marketplace dictate.
- Prepare and present quarterly market review that includes current and forecasted market conditions and the effect on the MPACT investment portfolio.
- Prepare reports reviewing and updating the investment policy of the Fund, including the criteria and objectives as well as the strategies for bonds, stocks, real estate, cash and all other investments that the funds may utilize on an annual basis or as circumstances in the marketplace dictate.
- Provide an annual written review and analysis of portfolio structure for each investment manager as well as the Fund as a whole. In addition, the firm should maintain regular communication with the Fund's investment managers and bring to the attention of the Board of Directors and the Treasury staff any issues of concern or changes of which the Board and staff should be aware.
- Maintain a broad database of investment managers including their philosophies, styles, fee schedules, portfolio characteristics, firm characteristics, performance and client base. The information should be available for a wide range of investment manager types including but not limited to equity, bond, international, and options managers, as well as real estate and timber managers.
- Assist in the development of policies, procedures and guidelines for the Fund.
- Provide analysis of and assist in hiring external managers. This service would include assistance in the development of requests for proposals for various mandates and the execution of the overall search process. The Contractor CANNOT bid on the Invitation for Bids and Request for Proposals that they develop, or assist in developing.
- Provide education and training to the Board and Treasury staff on investment topics as requested.
- Attend the meetings of the Board of Directors where applicable held every other month and at meetings with the Treasury staff as required.

## **2.2 PERFORMANCE MEASUREMENT & REPORTING**

- Provide the Board and OST with quarterly and annual performance evaluation reports of the Fund's portfolio managers relative to their respective benchmarks and peer groups, including overall composite returns for the Fund, statistics by asset class and market capitalization, and net of fee performance.
- Provide customizable performance measurement reporting utilizing user driven criteria (such as by asset class, by portfolio manager). Generate reports and charts to reflect the calculated results.
- Provide quarterly portfolio compliance report with customizable guidelines for testing overall portfolio compliance and individual portfolio manager compliance.

## **2.3 CONFLICTS OF INTEREST**

The investment consulting firm must agree to disclose all potential and current conflicts of interest and continue to do so throughout the duration of any contract with the Office of the State Treasurer. The firm must also disclose annually all sources of revenue and all affiliations.

**SECTION III**  
**ADDITIONAL INFORMATION FOR RESPONDENTS**

The following list contains items that must be included in any response to the request for proposals. Please provide the information in the order in which it was requested.

**3.1 MINIMUM QUALIFICATIONS FOR RESPONDENTS**

Address the minimum qualifications stated below by completing Appendix A. Failure to meet these minimum qualifications will cause your proposal to be considered unresponsive and the proposal will be disqualified.

- A. Each Respondent must have been actively providing investment consulting services for at least the last five (5) years. Investment expertise must include knowledge and experience in a wide range of investment vehicles, including investments not currently permitted by MPACT's Investment Policy
- B. The Respondent must be providing investment consulting services to or on behalf of governmental agencies/entities that have been investing funds totaling at least \$300 million.
- C. The Respondent's investment consultant team that would be assigned to the relationship must have been providing investment consulting services to at least ten (10) public fund clients.
- D. The Respondent must agree in writing to serve as fiduciary with respect to its work.

**3.2 COVER LETTER**

A cover letter, which will be considered an integral part of the information package, shall be signed by the individual(s) who is (are) authorized to bind the proposing firm contractually. This cover letter must indicate that the signatory is so authorized, and must indicate the title or position he (she) holds in the proposing firm. The letter shall contain the following:

- A. The proposing firm's name, address, telephone number, and fax number.
- B. A statement to the effect that the proposal is a firm and irrevocable offer good for one year.
- C. The name, title, address, telephone number, fax number, and e-mail address of the appropriate contact person for the firm in reference to this Request for Proposals.

### **3.3 MINIMUM INFORMATION TO BE INCLUDED IN THE PROPOSAL**

The minimum information that the proposal shall contain is as follows:

- A. The name of the Respondent, the location of the Respondent's principal place of business and, if different, the place of performance of the proposed contract;
- B. The age of the Respondent's business and average number of employees over a previous period of time, as specified in the Request for Proposal;
- C. The abilities, qualifications, and experience of all persons who would be assigned to provide the required service;
- D. A listing of other contracts under which services similar in score, size, or discipline to the required services were performed or undertaken within a previous period of time, as specified in the Request for Proposal; and,
- E. A plan giving as much details as is practical explaining how the services will be performed.

The Respondent should complete and include in their information package the Proposal Questionnaire contained in Appendix B and Appendix C. The information requested must be provided in the prescribed format. Responses that materially deviate from the prescribed format may be rejected. All responses are subject to verification for accuracy.

### **3.4 FEE PROPOSAL**

A proposing firm must submit their fee in the format prescribed in Appendix D. Any material deviation from the prescribed format may result in the rejection of the proposal. The proposed fee shall include all costs and expenses for providing the investment consulting services for the MPACT fund as described in this Request for Proposals, and shall be guaranteed for the term of the contract of up to three (3) years with two (2) optional one (1) year renewals.

Once a firm is selected, the fee may be further refined depending on factors that may affect the proposed fee. In no case will the refined fee be higher than the fee contained in the proposal.

### **3.5 MEANS OF COMPLETING SERVICES**

A proposing firm must submit their plan for how they anticipate to meet the scope of services as defined in Section II above. This will aid OST in the selection process.

### **3.6 OTHER INSTRUCTIONS**

#### A. Manner of Submission

- i. The respondent shall submit one (1) original and five (5) copies of their response in a sealed package. The respondent should also include one CD or external drive containing a copy of all documents submitted. The CD or external drive should be in Word or PDF Format and should be labeled with respondent's name. Submissions must be received by mail or delivery – faxes and e-mail copies are not permitted. The following contact information should be used for the submission of proposals.

Office of the State Treasurer  
Attn: Johanna Beeland  
501 North West Street, Suite 1101  
Jackson, Mississippi 39201

- ii. The proposal should be clearly identified on the outside of the package with the proposing firm's name and return address and the label "2019 MPACT Investment Consulting Services Response – Mailroom to Deliver Unopened". The Office of the State Treasurer of Mississippi is not responsible for the receipt of any proposal that is improperly labeled.
- iii. The Board shall reject any responses received after 3:00 p.m. CST, February 11, 2019. The Board is not responsible for receipt of any response that is improperly labeled or lost and/or late delivery of responses.
- iv. The Board will not pay any costs incurred by any firm in responding to this RFP or in connection with the preparation thereof.
- v. Respondents may be requested to provide additional information and/or to clarify contents of their proposal package. Other than information requested by the Board, no respondent will be allowed to alter the proposal or add new information after the final filing date.

#### B. Submission of Written Questions

Questions from proposing firms as a result of this Request for Proposals must be received via e-mail. All questions should be sent to Justin Smith, Chief Investment Officer for the Office of the State Treasurer at [Justin.Smith@treasury.ms.gov](mailto:Justin.Smith@treasury.ms.gov). Questions must be received no later than January 24, 2019 by 3:30 p.m. CST. All questions received by this date will be answered in writing without divulging the source of the query. Copies of all questions and their corresponding responses will be posted on the web portal and sent to all who asked questions or requested a proposal from the OST. No firm submitting a proposal may make inquiries with respect to this RFP to any other employee or agent of the Office of the State Treasurer, College Savings Mississippi, or other state agencies or any state authority until final selections have been determined. Failure to adhere to this

provision will result in disqualification.

### C. Consideration of Responses as Public Information

All proposals and any material submitted in response to the Request for Proposals shall be considered public records under the Mississippi Public Records Act of 1983 (Miss. Code §25-61-1 et seq.). As such, the proposals and any accompanying materials are available for inspection and copying by the public. In the event that a portion of a proposal or any supplemental material contains trade secrets or confidential commercial or financial information, each page containing such information shall be clearly labeled as containing trade secrets or confidential commercial or financial information.

If a request is made to OST for inspection or copying of such information, OST will notify the proposing firm of such a request so that the proposing firm may obtain a court order protecting the information in accordance with the provisions of section §25-61-9 of the Mississippi Code. If a court order is not obtained protecting the information, OST will permit inspection and copying within a reasonable time, as required by the Mississippi Public Records Act of 1983. Please note the entire response cannot be considered confidential.

## **SECTION IV EVALUATION**

### **4.1 PROPOSAL SUBMISSION**

Only proposals submitted in the time frame stated herein and with the content required above will be reviewed and considered by OST's evaluation committee.

### **4.2 EVALUATION CRITERIA**

If a Respondent does not meet all of the requirements set forth in this RFP, the Respondent's proposal may be rejected by the evaluation committee as non-responsive. Written proposals will be evaluated and judged by the evaluation committee and based on the following criteria:

#### **A. Management (20%)**

Responses to Appendix B, the Management Questionnaire, will include the Respondents firm, including all aspects of the organization, ownership, independence, employees, and reference information. The following criteria will be use for the Management Section:

- a. Location and History – 5%
  - 1. Brief history, from inception of the firm, and any parent organization, including relevant office locations.
- b. Organization, Ownership, & Independence – 5%
  - 1. Overview of the business structure from parent company and firm, including breakdowns of each line of business
  - 2. Description of the fiduciary relationship and commitment to Code of Ethics and Standards of Professional Conduct of the CFA Institute
  - 3. Disclosure of any and all conflict of interests
- c. Employees – 5%
  - 1. Biographies of the primary and secondary consultants who would be assigned to our account, including number and list of clients assigned to each consultant
- d. Reference Information – 5%
  - 1. List of current clients and description of firm controls to ensure the quality of service provided to clients
  - 2. Relevant client references
  - 3. Provide the number of all clients who terminated the firm's services in the past three years and detail the reason for the termination and the services that were being provided.

B. Technical (35%)

Responses to Appendix C, the Technical Questionnaire, will be scored blindly, and should include and emphasize the Scope of Services referenced in Section II. The following criteria will be used for the Technical Scoring:

- a. Asset Allocation & Investment Policy Analysis – 10%
  - 1. Approach and development of Investment Policy
  - 2. Detailed description of Asset Allocation philosophy and process of portfolio construction
  - 3. Describe the ongoing internal review process of Asset Allocation and Investment Policy and how these functions are communicated to clients
- b. Manager Search Process & Asset Allocation Implementation – 10%
  - 1. Investment Manager research and due diligence capacity
  - 2. Detailed description of Manager Search process
  - 3. Firm role in rebalancing, transition, and recommendations for Manager changes, including Manager watch criteria and policy
- c. Performance Measurement, Reporting, & Portfolio Analysis – 10%
  - 1. Example of typical quarterly performance report and outline availability to clients
  - 2. Explain peer groups, indices, and benchmarks used; and all sources of performance measurement data
- d. Investment Research – 5%
  - 1. Describe internal structure of Research department and how the research function is formed, including internal and external sources of information

C. Cost (10%)

The Cost evaluation criteria will evaluate overall general investment consulting services and be scored blindly from Appendix C.

- a. General Investment Consulting Services – 10%
  - 1. Relative comparison of the cost to firm quality of expertise and scope of services provided from other similarly scored proposals and firms

D. Price of Service (35%)

The written proposal should indicate all hourly charges, commissions, and fees for investment consulting services as described in Appendix D.

**The Board reserves the right to select the best, most qualified Respondent, not**



**necessarily the lowest priced respondent, based on all of the evaluation criteria factors, as stated in this RFP.**

#### **4.3 EVALUATION REVIEW PROCESS**

- A. OST will develop a log of all Respondents and the date and time their proposals were received.
- B. OST will determine if proposals are unacceptable, non-responsive, or non-responsible and immediately send written notices to Respondent proposals that fall within these categories explaining why their proposals were categorized as unacceptable, non-responsive, or non-responsible.
- C. Respondents may be contacted for discussions. If discussions are required, Respondent shall include, at a minimum, the following: representative(s) of the Respondent, person(s) able to answer the Evaluation Committee's questions regarding the written proposal, and the actual person(s) who will be responsible for investment consulting for MPACT. The discussions, if necessary, are only intended to allow clarification of the written proposal and to enable the Evaluation Committee to ask questions regarding the written proposals, not to make substantive changes to the written proposals.
- D. The evaluation committee will review and rank all acceptable proposals based on the criteria enumerated above.
- E. Thereafter, OST shall negotiate a contract with the selected Respondent for all services as described in Section II of this RFP. It is OST's intent to negotiate a satisfactory contract with that Respondent at terms OST deems to be fair, competitive, and reasonable. If a satisfactory contract cannot be reached with the highest ranking Respondent, it is OST's intent to authorize negotiations with the second most qualified Respondent. Should a satisfactory contract not be reached, an additional Respondent may be selected to participate in the negotiation process or negotiations may be reinstated in the original order of priority.
- F. All Respondents, successful or unsuccessful, may request a post-award Vendor debriefing, in writing, by U.S. mail or electronic submission, to be received by the agency within three (3) business days of notification of the contract award. A Respondent debriefing is a meeting and not a hearing; therefore, legal representation is not required. If a Respondent prefers to have legal representation present, the Respondent must notify the agency and identify its attorney. The agency shall be allowed to schedule and/or suspend and reschedule the meeting at a time when a representative of the Office of the Mississippi Attorney General can be present.

- G. Any actual or prospective respondent or contractor who is aggrieved in connection with this solicitation or the outcome of the RFP may file a protest with the OST. The protest must be submitted within seven (7) calendar days of the award. All protests must be in writing, dated, signed by the respondent or an individual authorized to sign contracts on behalf of the protesting respondent, and contain a statement of the reason(s) for protest, citing the law(s), rule(s) or regulation(s), and/or procedure(s) on which the protest is based. The written protest letter shall contain an explanation of the specific basis for the protest. The protesting respondent must provide facts and evidence to support the protest. A protest is considered filed when received by the OST. Protests filed after the seven (7) calendar days of the award, will not be considered.
- H. OST reserves the right to award by item, part or portion of an item, group of items or total proposal, to reject any and all proposals in whole or in part, and to waive any informality or technical defects if, in OST's judgment, the best interest of OST will be so served. In determination of awards, the qualification of the Respondent, the conformity with the specifications of services to be supplied and the delivery terms will be considered.

## SECTION V TERMS AND CONDITIONS

### 5.1 GENERAL TERMS

The negotiated contract between OST and successful Respondent shall incorporate this RFP, amendments to this RFP, and the Respondent's proposal as an integral part of the contract. OST reserves the right to clarify any contractual relationship in writing and such written clarification shall govern, in case of conflict, with the applicable requirements stated in this RFP.

### 5.2 CONTENTS OF CONTRACT

The contents of the Respondent's proposal will become contractual obligations if the proposal is accepted. A contract between OST and the successful Respondent will also include at least the following provisions:

- A. Applicable Law - The Contract shall be governed by and construed in accordance with the laws of the State of Mississippi, excluding its conflicts of laws provisions, and any litigation with respect thereto shall be brought in the courts of the State. The Contractor shall comply with applicable federal, state and local laws and regulations.
- B. Availability of Funds - It is expressly understood and agreed that the obligation of the OST and the State of Mississippi to proceed under this Contract is conditioned upon the appropriation of funds by the Mississippi Legislature and the receipt by the OST of said funds. If the funds anticipated for the continuing fulfillment of the Contract are not forthcoming or are insufficient, either through the failure of the State of Mississippi to appropriate funds or through the discontinuance or material alteration of the MPACT program under which funds were provided, the OST shall have the right upon ten (10) working days' written notice to the Firm, to terminate this Contract without damage, penalty, cost or expenses to the State of any kind whatsoever. The effective date of termination shall be as specified in the notice of termination.
- C. Representation Regarding Contingent Fees – The Respondent represents that it has not retained a person to solicit or secure a state contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except as disclosed in the Firm's bid or proposal.
- D. Representation Regarding Gratuities - The Contractor represents that it has not violated, is not violating, and promises that it will not violate the prohibition against gratuities set forth in Section 6-204 (Gratuities) of the Mississippi Public Procurement Review Board Office of Personal Service Contract Review Rules and Regulations.
- E. Procurement Regulations - The contract shall also be governed by the applicable provisions of the Mississippi Public Procurement Review Board Office of Personal Service Contract Review Rules and Regulations, a copy of which is available at 501

North West Street, Suite 701E, Jackson, MS 39201 for inspection, or downloadable at [www.DFA.ms.gov](http://www.DFA.ms.gov).

- F. Compliance With Laws - The Contractor understands that OST is an equal opportunity employer and therefore, maintains a policy which prohibits unlawful discrimination based on race, color, creed, sex, age, national origin, physical handicap, disability, genetic information, or any other consideration made unlawful by federal, state, or local laws. All such discrimination is unlawful and the Contractor agrees during the term of the agreement that the Contractor will strictly adhere to this policy in its employment practices and provision of services. The Contractor shall comply with, and all activities under this agreement shall be subject to, all applicable federal, State of Mississippi, and local laws and regulations, as now existing and as may be amended or modified.
- G. Stop Work Order –
1. **Order to Stop Work** - OST may, by written order to the Contractor at any time, and without notice to any surety, require the Firm to stop all or any part of the work called for by this Contract. This order shall be for a specified period not exceeding ninety (90) days after the order is delivered to the Firm, unless the parties agree to any further period. Any such order shall be identified specifically as a stop work order issued pursuant to this clause. Upon receipt of such an order, the Firm shall comply with its terms and take all reasonable steps to minimize the occurrence of costs allocable to the work covered by the order during the period of work stoppage. Before the stop work order expires, or within any further period to which the parties shall have agreed, the OST procurement officer shall either:
    - A. cancel the stop work order or
    - B. terminate the work covered by such order as provided in the Termination for Default clause-or the Termination for Convenience clause of this contract.
  2. *Cancellation or Expiration of the Order:* If a stop work order issued under this clause is canceled at any time during the period specified in the order, or if the period of the order or any relevant extension expires, the Firm shall have the right to resume work. An appropriate adjustment shall be made in the delivery schedule or price or both, and the Contract shall be modified in writing accordingly, if:
    - A. the stop work order results in an increase in the time required for, or in the Firm's cost properly allocable to, the performance of any part of the Contract and
    - B. the Firm asserts a claim for such adjustment within thirty (30) days after the end of the period of work stoppage; provided that, if the OST decides that the facts justify such action, any such claim asserted may be received and acted upon at any time prior to final payment under this Contract.
  3. **Termination of Stopped Work:** If a stop work order is not cancelled and the work covered by such order is terminated for default or convenience, the reasonable costs resulting from the stop work order shall be allowed by adjustment or otherwise.

4. ***Adjustment of Price:*** Any adjustment in Contract price made pursuant to this clause shall be determined in accordance with the Price Adjustment Clause of this Contract.
- H. **E-Payment** – The Contractor agrees to accept all payments in United States currency via the State of Mississippi’s electronic payment and remittance vehicle. The agency agrees to make payment in accordance with Mississippi law on “Timely Payments for Purchases by Public Bodies,” which generally provides for payment of undisputed amounts by the agency within forty-five (45) days of receipt of invoice. Mississippi Code Annotated § 31-7-301, *et seq.*,
- I. **E-Verification** – If applicable, Contractor represents and warrants that it will ensure its compliance with the Mississippi Employment Protection Act, Mississippi Code Annotated § 71-11-1 and 71-11-3, and will register and participate in the status verification system for all newly hired employees. Mississippi Code Annotated §§ 71-11-1 et seq. The term “employee” as used herein means any person that is hired to perform work within the State of Mississippi. As used herein, “status verification system” means the Illegal Immigration Reform and Immigration Responsibility Act of 1996 that is operated by the United States Department of Homeland Security, also known as the E-Verify Program, or any other successor electronic verification system replacing the E-Verify Program. The Contractor agrees to maintain records of such compliance and, upon request of the State, to provide a copy of each such verification to the State. Contractor further represents and warrants that any person assigned to perform services hereafter meets the employment eligibility requirements of all immigration laws. The breach of which may subject the Contractor to the following:
- 1.) Termination of this contract for services and ineligibility for any state or public contract in Mississippi for up to three (3) years with notice of such cancellation/termination being made public;
  - 2.) The loss of any license, permit, certification or other document granted to the Contractor by an agency, department or governmental entity for the right to do business in Mississippi for up to one (1) year or, both.
  - 3.) In the event of such termination/cancellation, the Contractor would also be liable for any additional costs incurred by the State due to Contract cancellation or loss of license or permit to do business in the State.
- J. **Acknowledgement of Amendments** – The Contractor shall acknowledge receipt of any amendment to the solicitation by signing and returning the amendment with the proposal, by identifying the amendment number and date in the space provided for this purpose on the proposal form, or by letter. The acknowledgment must be received by the OST by the time and at the place specified for receipt of proposals.
- K. **Certification of Independent Price Determination** - The Contractor certifies that the prices submitted in response to the solicitation have been arrived at independently and without, for the purpose of restricting competition, any consultation, communication, or agreement with any other Respondent or competitor relating to those prices, the intention to submit a proposal, or the methods or factors used to calculate the prices proposal.

- L. Prospective Contractor's Representation Regarding Contingent Fees - The prospective Contractor represents as a part of such Contractor's bid or proposal that such Contractor has/has not retained any person or agency on a percentage, commission, or other contingent arrangement to secure this contract.
- M. Subcontracting - The Contractor acknowledges that it was selected by the State to perform the services required hereunder based, in part, upon the Contractor's special skills and expertise. The Contractor shall not assign, subcontract, or otherwise transfer this agreement, in whole or in part, without the prior written consent of the State, which the State may, in its sole discretion, approve or deny without reason. Any attempted assignment or transfer of its obligations without such consent shall be null and void. No such approval by the State of any subcontract shall be deemed in any way to provide for the incurrence of any obligation of the State in addition to the total fixed price agreed upon in this agreement. Subcontracts shall be subject to the terms and conditions of this agreement and to any conditions of approval that the State may deem necessary. Subject to the foregoing, this agreement shall be binding upon the respective successors and assigns of the parties.
- N. Approval - It is understood that this contract requires approval by the Public Procurement Review Board. If this contract is not approved, it is void and no payment shall be made hereunder.
- O. Authority to Contract – The Contractor warrants: (a) that it is a validly organized business with valid authority to enter into this agreement; (b) that it is qualified to do business and in good standing in the State of Mississippi; (c) that entry into and performance under this agreement is not restricted or prohibited by any loan, security, financing, contractual, or other agreement of any kind; and, (d) notwithstanding any other provision of this agreement to the contrary, that there are no existing legal proceedings or prospective legal proceedings, either voluntary or otherwise, which may adversely affect its ability to perform its obligations under this agreement.
- P. Indemnification - To the fullest extent allowed by law, the Contractor shall indemnify, defend, save and hold harmless, protect, and exonerate the Agency, its commissioners, board members, officers, employees, agents, and representatives, and the State of Mississippi from and against all claims, demands, liabilities, suits, actions, damages, losses, and costs of every kind and nature whatsoever including, without limitation, court costs, investigative fees and expenses, and attorney's fees, arising out of or caused by the Contractor and/or its partners, principals, agents, employees and/or Sub-Contractors in the performance of or failure to perform this agreement. In the State's sole discretion, the Contractor may be allowed to control the defense of any such claim, suit, etc. In the event the Contractor defends said claim, suit, etc., the Contractor shall use legal counsel acceptable to the State. The Contractor shall be solely responsible for all costs and/or expenses associated with such defense, and the State shall be entitled to participate in said defense. The Contractor shall not settle any claim, suit, etc. without the State's concurrence, which the State shall not unreasonably withhold.

- Q. Ownership of Documents and Work Papers - OST shall own all documents, files, reports, work papers and working documentation, electronic or otherwise, created in connection with the project which is the subject of this agreement, except for the Contractor's internal administrative and quality assurance files and internal project correspondence. The Contractor shall deliver such documents and work papers to OST upon termination or completion of the agreement. The foregoing notwithstanding, the Contractor shall be entitled to retain a set of such work papers for its files. The Contractor shall be entitled to use such work papers only
- R. Right to Audit - The Contractor shall maintain such financial records and other records as may be prescribed by OST or by applicable federal and State laws, rules, and regulations. The Contractor shall retain these records for a period of three years after final payment, or until they are audited by OST, whichever event occurs first. These records shall be made available during the term of the contract and the subsequent three-year period for examination, transcription, and audit by the Mississippi State Auditor's Office, its designees, or other authorized bodies.
- S. Termination for Convenience Clause
- 1.) *Termination.* The procurement officer may, when the interests of the State so require, terminate this contract in whole or in part, for the convenience of the State. The procurement officer shall give written notice of the termination to the Contractor specifying the part of the contract terminated and when termination becomes effective.
  - 2.) *Contractor's Obligations.* The Contractor shall incur no further obligations in connection with the terminated work and on the date set in the notice of termination the Contractor will stop work to the extent specified. The Contractor shall also terminate outstanding orders and subcontracts as they relate to the terminated work. The Contractor shall settle the liabilities and claims arising out of the termination of subcontracts and orders connected with the terminated work. The procurement officer may direct the Contractor to assign the Contractor's right, title, and interest under terminated orders or subcontracts to the State. The Contractor must still complete the work not terminated by the notice of termination and may incur obligations as are necessary to do so.
- T. Public Access to Records - All documents, papers, letters, or other materials relating to this contract that are made or received by the Contractor in conjunction with the contract, and which are required by law to be maintained, must be available for public access and for audit purposes for the period of times specified by OST after porting
- U. Waiver - No delay or omission by either party to this agreement in exercising any right, power, or remedy hereunder or otherwise afforded by contract, at law, or in equity shall constitute an acquiescence therein, impair any other right, power or remedy hereunder or otherwise afforded by any means, or operate as a waiver of such right, power, or remedy.

No waiver by either party to this agreement shall be valid unless set forth in writing by the party making said waiver. No waiver of or modification to any term or condition of this agreement will void, waive, or change any other term or condition. No waiver by one party to this agreement of a default by the other party will imply, be construed as or require waiver of future or other defaults.

- V. Independent Contractor - A provision whereby OST and the Contractor represent that they are acting in their individual capacities and not as Consultants, employees, partners or associates of one another.
- W. Modification of Contract - This contract represents the entire agreement of the parties. Any alternations, variations, changes, modifications, or waivers of provisions of this contact shall only be valid when they have been reduced to writing, duly signed by each of the parties hereto, and attached to the original of this contract.
- X. Paymode - Payments by state agencies using the State's accounting system shall be made and remittance information provided electronically as directed by the State. These payments shall be deposited into the bank account of the Contractor's choice. The State may, at its sole discretion, require the Contractor to electronically submit invoices and supporting documentation any time during the term of this Agreement. The Contractor understands and agrees that the State is exempt from the payment of taxes. All payments shall be in the United State currency.
- Y. Transparency - This contract, including any accompanying exhibits, attachments, and appendices, is subject to the "Mississippi Public Records Act of 1983," and its exceptions. See Mississippi Code Annotated §§ 25-61-1 et sq., and Mississippi Code Annotated § 79-23-1. In addition, this contract is subject to the provisions of the Mississippi Accountability and Transparency Act of 2008. Mississippi Code Annotated §§ 27-104-151 et seq. Unless exempted from disclosure due to a court-issued protective order, a copy of this executed contract is required to be posted to the Department of Finance and Administration's independent agency contract website for public access at <http://www.transparency.mississippi.gov>. Information identified by the Contractor as trade secrets, or other proprietary information, including confidential vendor information, or any other information which is required confidential by state or federal law or outside the applicable freedom of information statutes, will be redacted.
- Z. Warranties of Respondent - Respondent covenants and warrants as follows:
- 1.) It is lawfully organized and constituted under all federal, state, and local laws, ordinances in other authorities of its domicile, and is otherwise in full compliance with all legal requirements of its domicile.
  - 2.) It is possessed in the legal authority and capacity to enter into and perform this contract.
  - 3.) It has been duly authorized to operate and do business in all places where it will be



required to conduct business under this contract; that it has obtained, at no cost to the State of Mississippi, all necessary licenses and permits required in connection with this contract, and that I will fully comply with all laws, decrees, labor standards, and regulations of its domicile and wherever performance occurs during the contract period.

- 4.) It has no present interest nor shall acquire any interest which would conflict in any manner with the Contractor's duties and obligations under this contract.

AA. Trade Secrets, Commercial and Financial Information – It is express understood that Mississippi law requires that the provisions of this contract which contain the commodities purchased or the personal or professional services provided, the price to be paid, and the term of the contract shall not be deemed to be a trade secret or confidential commercial or financial information and shall be available for examination, copying, or reproduction

BB. General Conditions -

- 1.) No provision for automatic renewal or extension of this contract is effective. Any renewal or extension shall be in writing and executed by both parties.
- 2.) Notwithstanding "prior approval" requirements which may be reserved by CSPM and/or its OST under this contract, such requirements do not reserve or mitigate the Contractors ultimate responsibility for holding and guaranteeing the quality and timeliness of work and service to be performed under this contract. The Contractor is solely responsible for performing the consulting services specified herein to the satisfaction of OST.
- 3.) OST and/or the Board reserve the right unilaterally to modify, reject, cancel, or stop any and all plans scheduled or work in progress.

**Appendix A**

**Office of the State Treasurer  
Request for Proposals- Investment Consulting Services**

**Minimum Qualifications Certification**

The firm certifies that it fulfills all of the minimum qualifications outlined in Section 3.2 of this Request for Proposals for Investment Consulting Services. By signing this attachment, the firm also agrees to notify the Office of the State Treasurer of Mississippi and the Board of Directors of the College Savings Plans of Mississippi immediately upon its failure to continue to meet the minimum qualifications, if selected as the investment consultant for the Mississippi Prepaid Affordable College Tuition (MPACT) Fund.

On behalf of \_\_\_\_\_, I certify that said  
(Firm Name)  
firm complies with the Minimum Qualifications set forth in Section 3.2 of this RFP.

\_\_\_\_\_  
(Authorized Signature of Firm) (Firm Name)

\_\_\_\_\_  
(Print Name) (Date)

\_\_\_\_\_  
(Title)

## **Appendix B**

### **Office of the State Treasurer Request for Proposals- Investment Consulting Services**

#### **Management Questionnaire**

Please provide the name, title, address, and telephone numbers of the person to be contacted regarding the responses to all of the following questions. Please address each item and number your responses in accordance to the system used in this Request for Proposals. Failure to follow this format may eliminate your responses from consideration. Any questions pertaining to this Request for Proposals should be addressed to Justin Smith, Chief Investment Officer, Office of the State Treasurer, via e-mail at [Justin.Smith@treasury.ms.gov](mailto:Justin.Smith@treasury.ms.gov).

#### **Location & History**

1. Please provide your firm's complete name, address, web address, telephone and fax numbers. Include the name and title of your proposed primary and secondary consultants and the location from which the consulting work will be done.
2. Please provide a brief history, from inception, of your firm and any parent organization. Within the past three years, have there been any significant developments in your organization, such as changes in ownership, restructuring, or personnel reorganizations? Do you anticipate future significant changes in your organization? If yes, please describe.

#### **Organization, Ownership, & Independence**

1. Describe the line(s) of business of your firm, any parent organization and any affiliated companies. How many employees are involved in each line of business?
2. What is the percentage breakdown of revenues from each line of business? What percentage of the total, after-tax profit is derived from each line of business?
3. Is your firm, any parent or any affiliate, a registered investment advisor with the SEC under the Investment Advisors Act of 1940? If not, what is your fiduciary classification?
4. Within the last five years, has your organization or an officer or principal been involved in any litigation or other legal proceedings relating to your consulting activities? If so, provide an explanation and indicate the current status or disposition.
5. Please describe the level of coverage for errors and omissions insurance and any fiduciary or professional liability insurance your firm carries. Please submit a copy of policy coverage.

6. Are there any circumstances specifically related to your investment consulting activities under which your firm, its officers or employees receive direct or indirect compensation from investment managers? If so, describe in detail.
7. Does your firm, its parent, affiliate, joint venture or any employee sell information or any services, directly or indirectly, to investment managers? If so, describe in detail.
8. Disclose any other affiliations, strategic alliances, joint ventures, and referral arrangements, not previously disclosed in this Request for Proposals.
9. Has your firm adopted the Code of Ethics and Standards of Professional Conduct of the CFA Institute?

### **Employees**

1. Provide biographies of the primary and secondary consultants who would be assigned to our account. Please include their location, a list of current clients and if they have written any white papers in the past three years, please include a copy with your response. Please also include FINRA and SEC disclosure documents, as well as submit ADV Parts I & II.
2. Explain how the firm controls the quality of service provided to the clients, the number of consultants in the firm, and the average number of clients assigned per consultant. What is the maximum number of clients per consultant you maintain?

### **Reference Information**

1. Please provide four references including at least two public fund clients. Include name, title, fund/firm name, address, phone number, email, total AUM, dates of service, and description of services provided.
2. Please provide the number of all clients who terminated your firm's services in the past three years. In each case, detail the reason for the termination and the services that were being provided.

## Appendix C

### Office of the State Treasurer Request for Proposals- Investment Consulting Services

#### Technical Questionnaire

This questionnaire will be scored blindly. Please complete and include separately with your proposal in an undistinguishable format, without any indication of firm marketing material, trademark or logo, or any similar potential identification of The Contractor firm. Please address each item and number your responses in accordance to the system used in this Request for Proposals. Failure to follow this format may eliminate your responses from consideration. Any questions pertaining to this Request for Proposals should be addressed to Justin Smith, Chief Investment Officer, Office of the State Treasurer, via e-mail at [Justin.Smith@treasury.ms.gov](mailto:Justin.Smith@treasury.ms.gov).

#### Asset Allocation & Investment Policy Analysis

1. Outline your approach to the development of an investment policy.
2. Detail your process for recommending an overall portfolio structure. Give particular attention to its relationship with investment policy and asset allocation.
3. Outline your internal process for maintaining and providing a continuous review of the investment policy, asset allocation and portfolio structure and how this is communicated to clients.
4. How often do you recommend a formal review of asset allocation policies?

#### Manager Search Process & Asset Allocation Implementation

1. How does your firm provide investment manager research?
  - a. Does your firm maintain an in-house database of investment managers?
  - b. If not, what vendor provides this information to you?
  - c. How many managers by asset class and subcategory are contained in the database?
2. What is your investment manager research process? Describe how your firm or your vendor gathers, verifies, updates and maintains the data collected on managers for the database.
3. Do you, or does your vendor, charge direct or indirect fees for investment managers to be included in your firm's database?
4. Describe your role in implementing manager transitions and/or rebalancing strategic asset

allocation targets.

5. Explain how manager due diligence reviews are performed and at what point such reviews would be initiated. Do you initiate or do you wait for instructions from your client to do so?
6. Describe your firm's process and criteria for recommending a manager be placed on or removed from probation, or replaced.

### **Investment Research**

1. Describe the internal structure and organization of your research department. If no separate department exists, describe how this function is performed.
2. Describe the manner in which external resources and sources of information are used in the research process. How does your firm integrate internal and external research? Outline your process for monitoring and reporting market trends.

### **General Investment Consulting Services**

1. Do you consider the services and advice you provide clients to be proactive or reactive? If asked would your current clients describe your efforts as proactive or reactive?

### **Performance Measurement, Reporting, & Portfolio Analysis**

1. Please provide a copy of a typical quarterly performance report. How much variation is available from your standard report?
2. Are all performance reports compliant with GIPS® performance presentation standards?
3. How many days after quarter-end are performance reports available?
4. Provide a description of the peer group and performance benchmarks used.
5. Please explain size, composition, and source of your performance measurement data base. What indices are used for relative comparisons? Is your system proprietary or did you obtain it from another supplier? If you do not maintain databases, whose database do you use?

**Appendix D**

**Office of the State Treasurer  
Request for Proposals- Investment Consulting Services**

**Fee Proposal**

The term of the contract is expected to be three (3) years with two (2), one (1) year extensions issued at the discretion of the Office of the State Treasurer and contingent on approval by the applicable Boards of Directors. The fee proposal should be guaranteed for a period of up to five (5) years.

The proposing firm should submit an all-inclusive annual fee for all services as follows:

All inclusive flat fee – Year 1 \$ \_\_\_\_\_

All inclusive flat fee – Year 2 \$ \_\_\_\_\_

All inclusive flat fee – Year 3 \$ \_\_\_\_\_

All inclusive flat fee – Year 4 \$ \_\_\_\_\_

All inclusive flat fee – Year 5 \$ \_\_\_\_\_

This contract fee should represent the only compensation received by the consultant for services provided to the Office of the State Treasurer.

Signed \_\_\_\_\_

Print Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_/\_\_\_\_/\_\_\_\_  
MM DD YY

**Appendix E**

**Office of the State Treasurer  
Request for Proposals- Investment Consulting Services**

**PROSPECTIVE CONTRACTOR'S REPRESENTATION REGARDING CONTINGENT FEES**

\_\_\_\_\_ (Company Name) represents that it  
HAS/ HAS NOT (please circle the appropriate answer) retained any person or agency on a  
percentage, commission, or other contingent arrangement to secure this contract.

Signed \_\_\_\_\_

Print Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_ / \_\_\_\_ / \_\_\_\_  
MM DD YY