

**ARKANSAS PUBLIC EMPLOYEES' RETIREMENT SYSTEM, "APERS"**

**REQUEST FOR QUALIFICATION ("RFQ")**

**PRIVATE EQUITY INVESTMENT CONSULTING SERVICES**

The APERS Board of Trustees ("Board") is soliciting proposals from qualified professional investment consulting firms interested in providing consulting services specifically for its Private Equity ("P/E") investments. This RFQ does not offer a contract.

APERS is a defined benefit plan with a valuation of approximately \$10.4 billion. The APERS Board has approved and committed a 5% target allocation to P/E. The purpose of this Request for Qualification is to provide information about APERS and to establish the specifications and requirements for submitting qualifications. The term "Vendor" as used in this RFQ shall mean the company, firm, or individual submitting qualifications for consideration.

The P/E Investment Consultant will provide advice and counsel to the Board on its allocation to P/E. The P/E Investment Consultant will work closely with the Executive Director and the Chief Investment Officer of APERS.

The objective of this RFQ is to identify firms with the expertise, experience, and resources to provide P/E consulting services to APERS.

There is no expressed or implied obligation for APERS to reimburse Vendors for any expenses incurred in preparing proposals in response to this RFQ. In the event that none of the proposals are satisfactory to APERS, no selection has to be made. Proposals submitted in response to the RFQ become the property of APERS and are subject to public inspection. APERS reserves the right to modify the RFQ contents and requirements at any time prior to the submission deadline.

**TENTATIVE SCHEDULE OF EVENTS**

APERS reserves the right, at its sole discretion, to modify any dates in the RFQ at any time without notice and accepts no liability to the extent the actual schedule differs from the dates set forth herein. In the event that a change is made to the RFQ Schedule, a revised schedule will be posted on the APERS website.

- Issuance of RFQ: May 25, 2023
- RFQ Submission Deadline: June 05, 2023
- Announcement of Intent to Award: June 15, 2023
- ALC Review Committee: July 18, 2023
- ALC Review: July 21, 2023
- Notification of Award to Vendor: July 21, 2023

**QUESTIONS CONCERNING RFQ**

Questions concerning this RFQ must be submitted via email to: Richmond Giles at [RichmondGiles@arkansas.gov](mailto:RichmondGiles@arkansas.gov) and will be accepted until 3:00 p.m. Central time on May 31, 2023. Q&A will be posted on the APERS website on June 01, 2023. Any verbal responses from APERS are to be considered informational only.

Contact with APERS Board of Trustee(s) or APERS staff regarding this RFQ during the proposal period, other than the contact person indicated in this RFQ, may disqualify a vendor. Vendors who currently engage in business with APERS are expected to limit their contact to ordinary interaction and to avoid direct contact with trustees or other staff during this proposal period, other than that which might occur at regularly scheduled meetings.

### **RFQ RESPONSE DEADLINE**

To be considered, responses must arrive via email to [APERSInvestments@arkansas.gov](mailto:APERSInvestments@arkansas.gov) no later than June 05, 2023 by 4:30 p.m. Central time.

Please note that certain submissions made via email may be blocked due to file size limitations on APERS email servers. Please submit your proposal with enough time in advance of the deadline to ensure the transmission goes through in its entirety, and to re-submit by the deadline if necessary.

### **PROPOSAL FORMAT**

To be considered, responses shall, at a minimum, include all data and information required by this RFQ. Proposals shall be in sufficient form and detail to enable a comprehensive understanding and analysis of the Vendor's qualifications and all responses required by this RFQ. For ease of review by APERS each number in the questionnaire should be clearly numbered. Please format with consecutively numbered pages.

### **SCOPE OF THE REQUESTED SERVICES**

The pacing study for P/E will be the responsibility of the General Investment Consultant. The P/E investment consultant will be responsible for investment manager searches, performance reporting and monitoring, and investment manager updates. The P/E consultant will also present educational workshops as needed or requested by the APERS Board of Trustees. The P/E investment consultant will also need to attend regularly scheduled Board meetings.

### **EXISTING CLIENT CONFIDENTIALITY**

APERS respects that you may have confidentiality agreements in place with your client(s). When asked to list client(s) names, you may state "Client Confidential" and provide the remainder of the requested information.

### **MINIMUM QUALIFICATIONS OF THE P/E INVESTMENT CONSULTING FIRM**

Vendors should have substantial experience consulting to public defined benefit plan.

1. The proposed P/E investment consultant must have acted as a consultant to a public pension plan as of June 30, 2022. As of March 31, 2023, please provide a client list you act as a consultant to, in a full-retainer capacity, the type of plan (public pension, corporate, E&F, etc.), as well as the asset size of each plan. Please state how many years you have acted as a consultant for each plan. Also, for each plan listed, please also list the dollar amount that is committed to private equity as well as the percentage of the plan which is committed to private equity.
2. The senior investment professionals in charge of the proposed consulting services must have at least seven years of institutional consulting experience within the industry. Please list the names and years of consulting experience of each investment professional who would be responsible for the APERS relationship. Please include a brief biography of each professional. For each professional please discuss and list their current account responsibilities, specifically the name (if possible) and number of accounts they manage/consult, as well as the clients' asset size, and the percentage of assets allocated to P/E.

3. The Vendor must be an SEC registered advisor. Submit a copy of your most recent Form ADV, Parts I and II, as well as Investment Adviser Representative Report Summary for any advisors that will be performing any work on the APERS account.

## QUESTIONNAIRE

### Organization

1. List your firm's name and address. Provide a brief history of your firm.
2. Provide an organizational chart for your firm and specifically for your investment consulting and research divisions.
3. Over the past five years, has your organization, affiliates, parent company, officers or principals been involved in litigation, legal proceedings, or SEC investigations related to your firm's activities? If so, provide a brief explanation including the current status and/or the resolution of this action.
4. Please describe your firm's experience with P/E Fund-of-Funds ("FoF"), as well as your firm's experience with both Primary and Secondary Fund-of-funds.  
Please provide a copy of your current approved list of Fund-of-Fund partners.
5. Please describe your firm's experience with a P/E Fund-of-One ("FOO").
6. As of today, hypothetically, if you were directly asked, how would you answer the following question: What percentage of the P/E commitment should be committed to Primary FoF and what percentage of the commitment should be committed to Secondary FoF?
7. Does your firm maintain in-house investment manager database/universe or is the data derived from a third party? If data is derived outside your firm, please list the vendor name you purchase data from, and describe any other service(s) you obtain from the vendor.  
If an in-house manager universe is maintained, please state how many firms in total are in the universe, as well as how many private equity investment managers are in the universe. Also please state how many of the following P/E strategy types are maintained in your database: commingled funds (both open-end and closed-end), fund-of-funds, and secondaries.
8. Provide a sample due diligence private equity investment manager report to the furthest extent allowable under your firm's guidelines. Preferably a Fund-of-funds or a secondary strategy. You may black out client sensitive information.  
Provide a copy of your approved public equity and private equity investment manager list.
9. As the P/E investment consultant, please describe your firm's beliefs on the most effective way to work with the Executive Director and the Chief Investment Officer of a public retirement plan.
10. Fee Quote. For an RFQ, fees are not the significant factor in determining a successful vendor. Lowest price is not required to be the primary factor in the selection process. APERS is targeting a 5% allocation to Private Equity.  
Based on the scope or the requested service(s), please explain the structure of your P/E investment consulting fees. APERS reserves the right to ask for additional clarification if needed.  
Please provide your proposed fees in US\$ for non-discretionary, full-retainer P/E

investment consulting services in the format show below. The initial state services contract may be for four years. Proposed fees must include all expenses. APERS does not reimburse vendors for any expenses.

	<u>Annual Fee (US\$)</u>
Year 1:	\$
Year 2:	\$
Year 3:	\$
Year 4:	\$

11. Please provide an example of a typical client reporting package, specifically when it is for private equity. You may black out client sensitive information.
12. Does your firm carry fiduciary and liability insurance? If so, what is the level of coverage?
13. Does your firm carry errors and omissions insurance? If so, what is the level of coverage?

### REQUIREMENTS FOR SUBMITTING A RESPONSE

- A. Proposals must be submitted digitally via email and received by the deadline only at the following address: [APERSInvestments@arkansas.gov](mailto:APERSInvestments@arkansas.gov)
- B. The deadline for receipt of proposals is **4:30 p.m.** Central Time, on **June 05, 2023**. Responses submitted to the incorrect email address or received after this date and time will be rejected and will not be considered.
- C. All timely proposals become the property of APERS.
- D. All proposals, once opened, are considered to be public record.
- E. APERS will only respond to questions that are presented via email. Questions should be submitted to Richmond Giles, [Richmond.Giles@arkansas.gov](mailto:Richmond.Giles@arkansas.gov)  
All questions and answers will be consolidated into a single Q&A document and posted to the APERS website.  
All questions must be received by 3:00 p.m. Central on May 31, 2023. The Q&A document will be posted on the APERS website on or after June 01, 2023. This will be the only distribution for the Q&A document.
- F. The APERS Board reserves the right to award all, part, or none of this RFQ.
- G. If the APERS Board of Trustees select a P/E investment consultant, at the conclusion of the RFQ process, Arkansas law requires a state contract. Accordingly, the P/E consultant agrees to be bound by Arkansas law.  
A sample of the State of Arkansas Services Contract (aka "SRV-1") can be seen at:  
<https://www.transform.ar.gov/wp-content/uploads/Services-Contract-SRV-1-Fillable-Form-V.3.6.22.pdf>
- H. By submitting an RFQ the vendor acknowledges, affirms, and agrees to be a fiduciary to the plan.

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