Austin Firefighters Retirement Fund

Request for Proposals for:

Investment Practices and Performance Evaluation of AFRF

Issued by:

Austin Firefighters Retirement Fund

4101 Parkstone Heights Dr. #270

Austin, TX 78746

512-454-9567

staff@afrs.org

www.afrfund.org

Issue Date: July 21, 2023

Response Date: August 11, 2023

Contents

I. Introduction

A. Purpose

The Austin Firefighters Retirement Fund (AFRF or the Fund) is requesting proposals from qualified independent investment consulting and similarly situated firms to evaluate the appropriateness, adequacy, and effectiveness of the investment practices and performance of the Fund and to make recommendations for improving AFRF's investment policies, procedures, and practices pursuant to Section 802.109 of the Texas Government Code. (Please see **Exhibit A**). All responses to this RFP should be complete and concise.

AFRF staff will be making a recommendation of qualified vendor(s) to the full AFRF Board for a final round of presentation and Board discussion at its August 25, 2023, meeting. The AFRF Board will make the final decision regarding awarding a contract for this work. The Board's selection is subject to final negotiation of acceptable contract terms with the selected vendor.

B. Fund Overview

The Austin Firefighters Retirement Fund is a single employer contributory defined benefit plan governed by Article 6243e.1, Vernon's Texas Civil Statutes since 1975. AFRF provides retirement, disability, death, and survivor benefits to firefighters employed by the City of Austin and their beneficiaries. The Fund's Investment Policy Statement can be found on AFRFund.org and is also available upon written request. Meketa serves as the Fund's investment consultant and State Street serves as the Fund's custodian bank.

C. Submission Instructions

Please submit a digital copy of the response to Anumeha Kumar at staff@afrfund.org, and all responses and inquiries can be referred to:

Austin Firefighters Retirement Fund (AFRF)
4101 Parkstone Heights Dr. #270
Austin, TX 78746
Phone: 512-454-9567
staff@afrfund.org
www.afrfund.org

Responses must be received by 5 PM on Friday, August 11, 2023. You may withdraw your response at any time up to the response deadline noted below simply by notifying AFRF in writing. AFRF reserves the right to request additional information, revise, cancel, or reissue the RFP at any time.

Under the AFRF Code of Ethics, prospective vendors are not permitted to communicate with any individual members of the Board of Trustees after this RFP has been issued. This **no-contact period** extends until the RFP process has concluded, and a contract has been awarded. All communication related to the RFP should be directed to the Executive Director, Anumeha Kumar, or to an appropriate member of the AFRF staff. Please see Section VI in the Code of Ethics on AFRFund.org for more information regarding this policy.

II. Scope of Investment Performance Evaluation

The required scope of service shall include those areas of evaluation identified in Section 802.109, subsection (a) (1) – (5) of the Texas Government Code. To the extent possible, the scope should be limited to the current investment practices and performance. Provide a detailed written report of the review and evaluations performed for each of the areas required to be reviewed as outlined by requirements of Section 802.109 of the Texas Government Code. The report should include any recommendations or suggestions for improvement and should be addressed to the AFRF's Board of Trustees. Please reference **Exhibit A** for additional details on the scope of the work.

III. Work Product

The investment performance evaluation shall include all information outlined in Section II above. The evaluation must be in language clearly understandable by layman readers and include an executive summary. Any assumptions and methodology used should be clearly explained in the report. The firm shall submit the performance evaluation as a PDF document.

If selected, the firm will be responsible for coordinating and obtaining all needed information. The firm will also be required to attend one or more regularly scheduled board meetings, either in person or virtually, to present the preliminary and final evaluations to the AFRF Board. Prior to issuing the final report, the firm must provide a preliminary report to the AFRF Board for discussion, questions, input, and consideration of any recommendations for possible adoption by the AFRF Board. Any working papers should be made available to the Fund for review.

IV. Required Content of Proposal

Each proposal should include a concise description of the firm's ability to satisfy the requirements of this RFP. The proposal should include sufficient detail regarding the information below. Please note that all responses and materials submitted to the Fund will be subject to disclosure in accordance with the Public Information Act.

A. Proposal Summary

Each proposal shall contain a summary of the proposal being submitted, including a summary of the proposing firms understanding of the project, the key review activities to be undertaken, the work products that are being offered in the proposal, and a certification that resources will be made available to complete the assignment. Each proposal shall provide an implementation strategy and schedule including a start date for the review and the approximate date of completion. The proposal shall also include a Proposal Letter of Engagement outlining the aforementioned items.

In addition to the summary, please provide the following general information:

- The firm's primary contact for the AFRF staff use;
- General ownership structure of the organization, including subsidiary and affiliated companies;

- Information regarding any material change in the firm's structure or ownership within the last two years, or any material change in the ownership, staff, or structure currently under review or being contemplated by the firm;
- If available, a third-party assessment or report concerning client satisfaction and measures of the firms' strengths or weaknesses;
- Any material litigation which has been threatened against the firm or to which the firm is currently a party;
- A list and brief description of litigation brought against the form by existing or former clients over the last five years;
- A list of professional relationships involving AFRF for the past five years along with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed review.
- Identify if your firm has worked with Meketa? If so, in what capacity? Please identify any potential conflicts of interest which may currently exist regarding the review of investment reports and recommendations made by Meketa.
- Identify the investment consulting firms you have worked with in conducting peer reviews. Please provide names and contact information for each of the firms listed. Additionally, please identify the percentage of performance reviews that you've conducted for clients in which Meketa served as investment consultant.

B. Expertise and Experience

The Proposal shall describe the firm's recent experience (at least during the last 5 years) in evaluating investments and investment performance, analyses, or studies of public retirement systems' investment programs. Provide a list of public pension clients for which past work has been performed including information on the types and sizes of those public pension funds. The firm must also provide one or more examples of this work, which should be incorporated in the proposal as an appendix or attachment. The firm may include other relevant information to demonstrate their capabilities to perform the evaluation.

Minimum Criteria: AFRF may, at its sole discretion, disqualify a firm that does not meet all of these minimum qualifications.

- Have provided an investment performance evaluation comparable to that requested under this RFP in the past three years;
- For at least the five most recent continuous years, the firm must have verifiable operating history with at least three institutional fund clients with similar size, complexity and asset mix to AFRF;
- The primary contact dedicated to the AFRF contract must have at least 10 years of experience in providing investment consulting services to institutional fund clients; and
- The form must be registered as an investment adviser under the Investment Advisers Act of 1940.

C. Qualifications

Describe the qualifications of all professional personnel who will participate in the investment performance evaluation. Please include a resume, and a summary of experience each has had in performing investment evaluations, analyses, or studies of public pension funds.

D. References

Each firm shall provide a list of at least three current clients that are of a similar size to AFRF that may be used as a reference for the firm's work on investment performance evaluations or studies. Please include the following: date of the investment review or study; retirement system name and contact information (address, email and phone); name and contact information of individual in the client organization who is familiar with the work (email and phone); and description of the work performed.

E. Proposed Methodology

The firm shall describe the proposed methodology, including specific techniques and proposed sources of data and information to review and analyze each element of the evaluation's scope as described in the Scope of Investment Performance Evaluation Section of this RFP. The firm shall also identify the type and level of assistance that it anticipates would be needed from the staff of AFRF, including assistance to understand the operations and records needed for the review. Please identify meetings, calls, time commitments, etc., anticipated from staff of AFRF.

V. Cost Proposal and Duration of Contract

The cost estimate must be a fixed price proposal to include all anticipated out of pocket expenses as well as all other expenses. The contract for review services may be extended by the Fund to include up to two subsequent review periods or for a longer-term if the agreement to extend is in writing before the expiration term of the initial contract. The term of the initial contract shall be for a period of 18 months. While it is anticipated that the report will be issued by May 1, 2024, the reviewing firm should be available to respond to written questions by the Fund for a period of 18 months from the date of signing the contract.

The firm shall provide the total fixed cost for two subsequent review periods to be completed by May 1, 2027 and May 1, 2030.

VI. Evaluation Factors

1. Material exceptions to the terms and conditions of this solicitation, or failure to meet the Fund's minimum specifications, shall render a proposal non-responsive. In addition, proposals which are longer than 20 pages in length, excluding specimen reports, will be deemed non-responsive and will not be considered.
2. Proposal must be limited to not more than 20 pages excluding examples of a specimen report.
3. Only one award will be made under this RFP. The award shall be made for all the requirements to the firm with the best combination of price, qualifications, experience as may be determined in the sole discretion of the AFRF Board of Trustees, and who is able to demonstrate to the satisfaction of the Board of Trustees that is able to provide expertise sufficient to execute the terms of this RFP.
4. The Board of Trustees may consider factors relating to the "responsibility" of the proposing firm, including but not limited to, the reputation and experience of the proposing firm, the availability and capability of staff, the clarity of the proposal, etc. Proposing firms should be prepared to submit materials evidencing these matters.

5. The current investment consultant is Meketa. Any proposing firm is required to disclose any conflicts which may exist which may impact the impartiality of the proposed evaluation and review required by Section 802.109 of the Texas Government Code.
6. The investments are held in multiple accounts managed by a custodian, State Street.
7. The current Investment Policy Statement is available for review upon written request.
8. Proposals will not be finally awarded until the Retirement Trust's Board of Trustees approves the resulting agreement or contract.

VII. Evaluation Criteria

Each submitted proposal will be reviewed and evaluated on the completeness of the information provided. Failure to provide any of the requested information may result in disqualification of the submitted response. During the evaluation process, the AFRF staff reserves the right to request additional information or clarification about the submitted response.

RFP Evaluation Factors	**Points**
Fixed Cost Price	50 percent
Expertise, Experience and Qualifications	50 percent
Total	**100**

VIII. Questions Regarding This RFP

If you have questions or need clarification of any aspect of this RFP, submit your questions to Anumeha Kumar at staff@afrfund.org by 5:00 p.m. on July 28, 2023. All questions received will be responded to in writing and both questions and answers will be posted on the Austin Firefighters Retirement Fund website at www.afrfund.org. Any revisions to the RFP will be posted on the AFRF website as well. Proposals are due by the close of business August 11, 2023.