# 5.0 TECHNICAL PROPOSAL

In this section, the Bidder shall describe its approach and plans for accomplishing the work outlined in RFP Section 3.0 Scope of Work. The Bidder must set forth its understanding of the requirements of this RFP and its ability to successfully complete the contract. The Bidder shall set forth its overall technical approach and plans to meet the requirements of the RFP in a narrative format. This narrative should convince the State that the Bidder understands the objectives that the contract is intended to meet, the nature of the required work and the level of effort necessary to successfully complete the contract.

Mere reiterations of RFP tasks and subtasks are strongly discouraged, as they do not provide insight into the Bidder's ability to complete the contract. The Bidder’s Technical Proposal should be designed to convince the State that the Bidder’s detailed plans and approach proposed to complete the Scope of Work are realistic, attainable and appropriate and that the Bidder’s proposal will lead to successful contract completion.

## 5.1 OVERVIEW

* + 1. Provide a summary statement of no more than three (3) pages stating why the Bidder is most able to provide the services listed herein to the DOI. Summary statement should also include, at a minimum, how the minimum qualifications listed in Section 1.2 are met.

## ORGANIZATION

* + 1. Provide a brief history of the firm, including the year organized and the year the firm began providing investment consulting services to public fund clients.
    2. Provide the firm’s mission statement.
    3. Describe the ownership structure of the firm, giving specific details with regard to any parents or affiliates. Describe any changes over the last five (5) years. Include an organizational chart and a description of the firm’s distribution of ownership interest.
    4. Discuss the overall business objectives of the firm with respect to future growth. Comment on any present or planned areas of emphasis over the near future. Be sure to include in your response:

i. Plans to develop and expand resources, merge or acquire other firms, or spin-off subsidiaries.

* + 1. Explain whether the firm exercises discretionary investment authority along with investment consulting services for any clients. If so, describe how the firm addresses potential conflicts.
    2. Describe the firm’s commitment to research, performance, and database system enhancements.
    3. State whether the firm prepares white papers on relevant investment topics. If so, provide a sample.
    4. Describe all licenses that are required in order to do business with the State or elsewhere that are held and maintained by the firm, its directors, officers, and principals, and any of the individuals who will be responsible for providing the services described in this RFP. Provide a listing of any and all suspensions or expulsions of the firm or any of its personnel by any regulatory agency during the past five (5) years with an explanation of the reason for such suspensions or expulsions and the time period for such actions.
    5. State whether the firm is registered with the Securities and Exchange Commission or the New Jersey Bureau of Securities, as an investment adviser. If so, provide all disclosures required under those laws (including Parts I and II of Form ADV).
    6. State whether the firm has been subject to or is currently being reviewed or audited by the Securities and Exchange Commission or other regulatory agencies. If yes, please describe the nature of the investigation.
    7. State whether over the last five (5) years, the firm, or any principal or officer of the firm has been involved in any business litigation, regulatory, or other legal proceedings or government investigation involving allegations of fraud, negligence criminal activity or breach of fiduciary duty. If so, describe.

## CLIENTS AND STAFFING

* + 1. Identify the total number of clients by type (e.g., corporate plan or public plan)
    2. Provide the number of clients gained and number of clients lost in each of the last three (3) years, and identify the five (5) largest clients lost over the last three (3) to five (5) years, including the reason(s) for termination.
    3. Briefly describe the firm’s philosophy with respect to ESG Research mandates and the nature of the services that you provide. What key strengths and competitive advantages generate superior performance and service for the firm’s clients?
    4. Provide a contract organization chart, with names showing management, supervisory, research and other key personnel to be assigned to the contract.
    5. State whether the firm’s employees comply with the Code of Ethics and Standards of Professional Conduct of the CFA Institute. If not, indicate whether the firm maintains a code of ethics. Provide a copy of the firm’s Code of Ethics.
    6. Briefly describe the firm’s compensation system for principal staff, and indicate specific incentives utilized to ensure key professionals do not leave the firm either as a group or individually. Explain how the firm ties client performance and satisfaction to employee compensation.
    7. Complete the following table regarding your staff that left or joined your firm within the last three (3) years. Include anticipated personnel changes for the next year.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Name & Title | Joined or Left | Date Joined | Date Left | Reason |
|  |  |  |  |  |

* + 1. Describe any significant innovations the firm has made in the ESG sector. Include the names of key staff involved in these developments and if the staff will be on account.

## ESG Ratings/research Philosophy and process

* + 1. Describe the Bidder’s philosophy, experience and capability with respect to the broad ESG landscape.
       1. Where do the firm’s core competencies lie?
       2. What areas has the firm chosen not to focus on and why?
    2. Define “materiality” and how your firm incorporates it into your ratings and research process.
    3. Describe your firm’s expertise in and coverage of domestic and international (developed and emerging) ESG issues.
    4. Detail the firm’s methodology in its construction of ESG ratings.
       1. How has this evolved over time?
       2. What considerations are there to improve the process in the future?
       3. How often are ratings updated and describe how the firm oversees its broad coverage universe?
    5. Detail the firm’s fundamental research process and explain the quantitative and qualitative components that drive company analysis.
       1. How is the research team organized?
       2. What is the average experience of your research analysts?
       3. What is the average number of companies under coverage for each analyst?
    6. Identify and discuss the firm’s process for tracking ESG factors in real-time for companies under coverage and over time for sectors in where these risks are material
    7. Describe any customized computer-based analytical tools or web platform exists to access ratings and research report.
    8. Describe the firm’s database and its capabilities. How much is built via aggregated public data versus proprietary information? Describe the sources of data and controls around monitoring its quality. Describe any portion of the database that you feel is unique from other firms.
    9. What limitations, if any, exist to the dissemination of the bidder’s research and ratings across the Division, Trustees or Department of the Treasury for use, and for the release of published documents and press releases.

## ESG RElated Services

## Describe additional technology-enabled capabilities your firm provides clients to identify, assess and monitor ESG factors (ie portfolio screening, carbon tracking, impact assessment, etc.)

## Apply from the perspective of total pension, individual asset classes, industry sectors and across investment strategies.

## Are these services offered a la carte or bundled?

## Does your analytics dashboard integrate with other third-party systems or data providers?

## 5.6 Optional Services

Bidders may elect to provide optional services relating to the scope of work outlined in RFP Section 3.0. Bidders submitting optional services must provide pricing, in the format set forth in the Price Schedule accompanying this RFP.

**NOTE: Optional services will be used in the evaluation of proposals.**

## 5.7 PRICE SCHEDULE

The Bidder must submit its pricing using the format set forth in the Price Schedule accompanying this RFP. The Bidder must submit an all-inclusive, firm-fixed price to complete the work required by this RFP.

Any optional service offerings must be listed on the Price Schedule.

Failure to submit all information required will result in the bid being considered non- responsive.

Each Bidder is required to hold its prices firm through issuance of contract.