QUESTIONS & ANSWERS

VERMONT PENSION INVESTMENT COMMITTEE
INVESTMENT CONSULTANT RFP

MARCH 25, 2010

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1. Section 1.2 Minimum Bidder Qualifications:

Question: ***Our firm meets all of the minimum requirements specified in the RFP with the exception of aggregate assets totaling at least $25 billion. Is our firm eligible to submit a response to the RFP?***

> **Answer**: The Treasurer's Office, acting on behalf of VPIC, will not make any predetermination of eligibility for any interested bidder. Prospective bidders are encouraged to review the minimum qualifications and, and if they choose to respond, provide relevant information to demonstrate their eligibility in their bid proposal. Please also note Section 5.1, Bidder Evaluation, in the RFP.

2. Under 4.6 Bidder's Proposal Part V – Cost:

Question: ***Is it permissible to submit a fee quote for Section A that excludes fees for investment manager searches or searches for custodians and show them as additional fees on a per search basis in Section B?***

> **Answer**: Yes. Please list the service and fee(s) for searches as instructed in section 4.6 B.

Question: ***How do you interpret the all inclusive fee as it relates to the portion related to alternatives? Should the full services/retainer fee include or exclude alternatives?***

> **Answer**: Please read section ***4.4.3 Proposed Value-Added Options*** carefully when preparing the cost proposal for your bid. If a firm wishes to propose additional fees for a specialized service clearly identify what services are included in the full retainer services fee and those separately stated in 4.6 B.

3. Under 3.1.11 Contract Terms:

Question: ***Is there flexibility in the contract language?***

> **Answer**: Please read section ***3.1.11 Contract Duration*** carefully when submitting your bid, and clearly identify any objections or proposed requested changes to the standard contract language as noted in section 4.4.4.

4. General Questions

Question: 1. What is the tenure of the relationship with your current consultant?
2. Why are you doing the search? What are the key objectives you're seeking to accomplish with this effort?
3. Can you tell me who the incumbent investment consultant is and the reason the System has decided to go out to the RFP process?

Answer: The current investment consultant is NEPC, LLC. The investment consultant services are being bid pursuant to Administrative Bulletin 3.5, which unless otherwise waived, requires a competitive bidding process every four years. As stated in the bulletin, it is the policy of the State of Vermont to obtain high quality services in a cost-effective manner through the use of an open and competitive contract solicitation process. Award of a contract will be made, based on the merits of the submitted proposals, and evaluated pursuant to section 5 of the RFP.

Question: What are the key qualities you're looking for in a consultant/provider? How would you describe your ideal relationship with a consultant/provider?

Answer: Please see the RFP section 1.2 Minimum Bidder Qualifications (page 6) and section 2 Scope of Services, beginning on page 11.

Question: Who is your custodian/master trustee?

Answer: State Street Bank & Trust Company is the custodian as stated on page 7, section 1.3, of the RFP.

Question: Who is your actuary?

Answer: Buck Consultants.

Question: When was last Asset/Liability study performed? Can we get a copy of the results?

Answer: The last Asset Liability Study was presented to the VPIC at their February 10, 2009 meeting. A copy of the report may be viewed by clicking on the icon here.

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Question: ***What is your governance structure, # internal staff and committee complexion?***

Answer: The VPIC structure is detailed on page 11, sections 2 and 2.1 of the RFP. Information on VPIC may also be found on the Treasurer's Web site at: http://www.vermonttreasurer.gov/retirement/vpic