



**Request for Proposal  
(RFP) #18-01**

**Placement into a  
Pre-Qualified Pool of  
Transition Managers**

**February 23, 2018**

**IDENTIFICATION OF OFFEROR'S PROPRIETARY INFORMATION:**

OFFERORS ARE ADVISED THAT THE WASHINGTON STATE INVESTMENT BOARD IS A WASHINGTON STATE PUBLIC AGENCY AND IS THUS SUBJECT TO PUBLIC RECORDS REQUESTS. THERE ARE PERMISSIBLE EXEMPTIONS FROM PUBLIC DISCLOSURE PURSUANT TO CHAPTER 42.56 REVISED CODE OF WASHINGTON (RCW) BUT THEY ARE LIMITED, NARROW IN SCOPE AND STRICTLY CONSTRUED. ***OFFERORS WISHING TO CLAIM PORTIONS OF THEIR RESPONSE AS CONFIDENTIAL AND EXEMPT FROM PUBLIC DISCLOSURE ARE ADVISED TO CAREFULLY READ SECTIONS 5.5.1 AND 5.6 OF THIS RFP FOR MORE DETAIL.***

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## SECTION 1: INTRODUCTION

### 1-1 Background

The Washington State Investment Board (hereinafter WSIB or Board), a major institutional investor with more than \$120 billion under management and a reputation for innovation, seeks to contract with firms to create a pre-qualified pool of firms that provide transition management services on an as needed project basis.

The WSIB is a public agency of the state of Washington, established to administer the state's investment activity. The WSIB investment programs include both qualified (IRC § 401(a)) retirement programs and non-qualified programs. The WSIB manages the investment of defined-benefit retirement funds, a hybrid retirement plan consisting of defined-contribution and defined-benefit components, a deferred compensation plan (IRC § 457), a large pool of insurance fund assets, and a number of permanent and other trust funds. To learn more about the WSIB, please visit our website at [www.sib.wa.gov](http://www.sib.wa.gov).

### 1-2 Purpose

Pursuant to Chapter 39.29 of the Revised Code of Washington, the WSIB is conducting this procurement to select firm(s) offering transition management to form a pre-approved transition manager pool. As the need for transition managers arises during the contract period, the WSIB will describe a specific proposed transition management assignment to one or more of the pre-approved managers and engage one through a project work order. The purpose of this search is to identify the transition manager(s) to populate the pool. The potential range of potential transition management services is broad but the specific magnitude, frequency and character of such transitions is unknown at the current time. WSIB's transition management needs may include assistance in portfolio liquidation, asset allocation shifts, portfolio rebalancing, and other pertinent restructuring requirements of designated investment portfolios. WSIB considers transition management as a short-term asset management assignment of a fiduciary nature requiring prudence and investment discretion. Through the search process, WSIB intends to select and contract with one or more transition managers to comprise a transition manager pool. Such managers would be under contract for a five year term subject to the terms and conditions of the contract, with an option to extend an additional five years.

The result of this search process will be the awarding of an Optional-Use Contract (contracts) with one or more firms to create this transition manager pool. Please note: Optional-Use Contracts do not include compensation or a guarantee of compensation. Compensation is available only through award and completion of a project work order.

The role of the successful offerors will be to cooperatively assist WSIB staff, operating under the direction of the Board, in transition management that may include assistance in portfolio liquidation, asset allocation shifts, portfolio rebalancing, and other pertinent restructuring requirements of designated investment portfolios.

### 1-3 Two Tier Solicitation Process

The WSIB is using a two tier solicitation process. The first tier starts with the release of this RFP and concludes with the award of Optional-Use Contracts (Contracts). The purpose of the RFP is to determine Offeror qualifications and to obtain a capped commission schedule. The Optional-Use Contracts awarded to Contractors will define the terms and conditions of the contractual relationship. The term of the Contracts will be for five (5) years with the option to extend the Contract at the discretion of the WSIB for an additional five (5) years. The number of Offerors awarded a Contract will be determined after review of responses to this RFP. **Please note:** Optional-Use Contracts do not include a retainer fee, a guarantee of work, or a guarantee of compensation. Compensation is available through awards in the second tier process.

The second tier process arises as the WSIB determines a need (project) for a specific service. The WSIB will issue a Work Request for a project to one or more Contractors within the Pool. The purpose of the Work Request is to obtain a proposal from the Contractor and an estimate quotation of the cost associated with the specified project. The second tier will conclude with the award of a Work Order detailing the specific work entailed and the maximum compensation to a single Contract.

### 1-4 Updating/Refreshing the Pools

Due to market conditions or WSIB needs, the WSIB may choose to add Contractors, service categories, or additional pools within the term of the Optional-Use Contracts by issuing additional procurement processes as needed. Subsequent procurements may be modified to meet WSIB needs and may include revised qualification requirements, evaluation criteria, terms and conditions.

### 1-5 Overview of the Organization

The WSIB is a state agency with offices located in Olympia and Seattle, Washington. The WSIB performs “all duties prescribed by law with respect to the investment of public trust and retirement funds.” RCW 43.33A.010 Led by an independent 15-member Board, as described in RCW 43.33A.020, the Board conducts its investment activities in accordance with applicable state laws and investment policies and procedures designed to maximize returns at a prudent level of risk and acts exclusively in the sole interests of the funds’ stakeholders and beneficiaries. The Board generally meets seven to eight times per year to set policy, review investment results, and act upon staff and consultant recommendations.

The agency is composed of three primary divisions: Investments, Operations, and Institutional Relations, and is headed by an Executive Director appointed by the Board. The Board and agency are governed by general statutes and rules established for all state agencies, officials, and employees in the performance of their public duties, as well as internal policies and procedures.

The WSIB manages investments for 17 separate pension plans for public employees, teachers, school employees, law enforcement officers, firefighters and judges. To more efficiently manage investments, reduce administrative costs, and minimize fees, defined benefit retirement fund assets are pooled into the Commingled Trust Fund (CTF). As of December 31, 2017, the value of the CTF was \$98.4 billion. The CTF is invested in six basic asset classes: public equity, fixed income, private equity, real estate, tangible assets and cash. Some asset classes are managed by external managers, and some internally. Each fund managed by the Board is assigned a strategic asset allocation, which includes the asset

classes used by that fund, long-term policy targets for those asset classes, and the acceptable ranges within which those targets can vary.

The below table contains information on the CTF’s asset allocation as of December 31, 2017

	December 31, 2017		
	Allocation (\$MM)	Long Term Target	Range
<b>Fixed Income</b>	22,300	20.0%	16 - 24%
<b>Tangible Assets</b>	3,677	7.0%	5 - 9%
<b>Real Estate</b>	16,504	18.0%	15 - 21%
<b>Public Equity</b>	34,801	32.0%	27 - 37%
<b>Private Equity</b>	19,926	23.0%	19 - 27%
<b>Innovation Cash</b>	15	0.0%	0 - 5%
<b>Total CTF</b>	1,226	0.0%	0 - 3%
	98,449		

More information on the CTF asset allocation can be found on the WSIB website at [http://www.sib.wa.gov/information/pdfs/policies/2\\_10\\_050.pdf](http://www.sib.wa.gov/information/pdfs/policies/2_10_050.pdf).

In addition to the CTF, the WSIB also manages investments for 18 other public funds that support or benefit industrial insurance, colleges and universities, and developmental disabilities. As trustee of the Plan 3 retirement systems for Public Employees Retirement System (PERS 3), School Employees Retirement System (SERS 3), Teachers Retirement System (TRS 3) and the Judicial Retirement Account (JRA), the WSIB also manages the defined contribution investment options of the hybrid plans.

**SECTION 2: STATEMENT OF WORK**

**2-1 Scope of Work**

The scope of this assignment is to provide transition management services for the WSIB. WSIB considers Transition Management as a short-term asset management assignment of a fiduciary nature that requires prudence and investment discretion.

Work will be assigned to a contractor under that firm's underlying contract in a manner consistent with its terms. The scope of each discrete assignment or project will depend upon the particular issue on which the WSIB requests transition assistance. As projects arise, WSIB will issue a Project Work Request to one or more Contractors in the pool, outlining the services sought for a specific project. The Project Work Request will clearly delineate the scope of the project, the required project timeline, and required appearances, if any, before a WSIB Committee and/ or the Board. Once a Contractor’s proposal is accepted, a Project Work Order to engage services will be issued and executed. Selection of successful Contractors will be based on the Contractor's proposal, expertise, experience, availability, and cost, and

is at the sole discretion of WSIB.

Potential range of desired transition management services is broad but the specific magnitude, frequency and character of such transitions is unknown at the current time, therefore, services to be provided may include but are not limited to the following.

## **2-2 Services to be Provided and Assignment of Work**

Work will be assigned to a Contractor in a manner consistent with the terms of the Optional-Use Contracts. The scope of each discrete assignment or project will depend upon the particular issue on which the WSIB requests transition management services, and according to the needs of the various WSIB investment programs.

As projects arise, the WSIB will issue a Work Request to contractors within the Pool, seeking services for a specific project. The Work Request will clearly delineate the scope of the project, the project timeline, and required appearances, if any, before a WSIB Committee and/or the Board. A Work Request may require a Contractor to meet with WSIB staff during a particular project on a periodic basis at a location and time specified by the WSIB to review portfolios, investment process, organizational issues, performance, special projects, or other relevant topics. A Work Order to engage services will be awarded based on the Contractor's proposal, expertise and experience, availability, and proposed project cost.

In addition to providing services, Contractors must invite WSIB staff and Board members to participate in the Contractor's client conferences and any and all other client conferences or similar educational activities provided by the Contractor and normally offered to similar clients without cost. Invitations are contingent upon a fee payment by the WSIB to Contractor pursuant to any Work Order performed within the Contract period. The fee paid to the Contractor must exceed the cost of such conferences or education activities, including but not limited to all registration fees, materials, lodging, conference meals and refreshments

Successful Offerors will be expected to:

- A. Be able to accept and execute an Agreement for Transition Management Services that is fair and reasonable without compromising the integrity of WSIB, and based on the sample contract attached to this RFP.
- B. Coordinate with the WSIB and its custodian to develop all processes necessary to successfully complete a given transition
- C. Provide a proposal and pre-trade analysis to WSIB for each transition as required. The proposal shall include the transition firm's analysis of the risks and costs associated with the transition, its trading strategy for minimizing the risks and costs, a timetable for completing the transition, and an estimate of all costs (i.e., explicit and implicit) using the t-standard for implementation shortfall for the recommended course of action.
- D. Coordinate the entire transition process and work cooperatively with WSIB, the custodian bank, investment managers and any other third parties to ensure that the assets are transitioned in the most efficient and cost effective manner possible.

- E. During the course of the transition provide verbal updates during the day and a written summary daily regarding progress, execution, amount completed, risk exposure and expectations for the next day.
- F. Provide a final written report once the transition is complete that summarizes performance and costs through a post-trade analysis. Also required is an independent, third party analysis of the transition provided in a timely manner following the conclusion of a transition. The transition manager will provide all data and information required for the third party to complete this analysis and the transition manager will cover the full cost of this analysis.
- G. Participate in meetings or conference calls as needed to provide information to WSIB regarding the firm's management and performance in conducting the transition.
- H. Provide WSIB with timely information regarding material changes in the firm's organizational structure, transition team, and any other pertinent information which could affect the firm's ability to provide transition services.
- I. Act as a fiduciary during the transition management process.
- J. Be able to assume temporary (less than 12 months) fiduciary responsibility for a portfolio and manage as a tracking portfolio against a customized benchmark with a tracking risk target band and possible constraints on factor exposures, minimizing trading turnover necessary to stay within tracking risk bands, and provide related services for such a portfolio including proxy voting, as requested.
- K. Be able to deploy appropriate liquidity overlay assistance using futures and appropriate derivatives and synthetic transactions to manage the risk and target exposures as required.
- L. Transition defined contribution assets (including equity and fixed income) which could include considerations for target date funds and changes to glide-path allocations

### **2-3 Contract Management**

The WSIB's Senior Investment Officers of Public Equity or Risk Management and Asset Allocation will be designated as the WSIB's Contract Manager as indicated in the Work Order. The Contract Manager will be responsible for:

- A. Clarifying with the Contractor the expectations of the WSIB and how the WSIB envisions the relationship working on a day-to-day basis during specific transition projects.
- B. Providing overall direction and planning.
- C. Monitoring Contractor progress against contractual commitments and approving payment.
- D. Designating specific WSIB staff as Project Manager for day-to-day liaison with Contractor on specific transition projects.
- E. Requesting regular status reports with Contractor as needed.

## SECTION 3: OFFEROR QUALIFICATIONS

### 3-1 Mandatory Minimum Qualifications

Proposals in response to this RFP must meet the minimum requirements set forth below. Proposers who do not meet the following minimum requirements, or who do not comply with the material specifications, terms and conditions of this RFP shall be considered non-responsive and shall be rejected. Proposers must provide proof to demonstrate that their firms meet these minimum requirements.

- A. Must have an equity capitalization in excess of \$50,000,000.
- B. Must be a broker/dealer registered with the Securities and Exchange Commission and/or registered investment advisor able to meet the contemplated scope of services in this questionnaire.
- C. Must have at least 10 global transition management professionals and support personnel.
- D. Must have a minimum of 5 years of experience in providing transition management services to Institutional Investors for: US Equities (all capitalization range), US and Non- US Fixed Income, International Equities and Emerging Markets, including Foreign Exchange.
- E. Must have completed 5 transitions greater than \$100 million per event over the last five years.
- F. Must have completed 3 multi-asset class transitions (e.g. fixed-income and global equities, including foreign exchange within the same transition event) greater than \$1 billion per event over the last 5 years.
- G. Must have the ability to trade on an agency basis.
- H. Must have the appropriate coverage for errors and omissions and professional liability insurance.
- I. Must be willing to accept a contract and act as a fiduciary when performing transition management assignments.

## SECTION 4: GENERAL INFORMATION

### 4-1 Definitions

- **“Apparently Successful Offerors” or “Successful Offerors”** shall mean the Offerors selected by the Washington State Investment Board (WSIB) as entities qualified to perform the anticipated services.
- **“Business Day”** shall mean any day of the week other than Saturday, Sunday, or a holiday observed by the State of Washington or the Federal Reserve Board.
- **“Contract”** shall mean the Optional-Use Contract awarded to an Offeror.
- **“Contractor”** shall mean a transition management firm awarded an Optional-Use Contract through this RFP.
- **“Executive Director”** shall mean the agency employee authorized by RCW 43.33A.100, who serves as the senior executive of all staff operations.
- **“Offeror”** shall mean an entity intending to submit or submitting a response to obtain an Optional-Use Contract.

- **“Pool”** shall mean a list of qualified transition management firms that have been awarded an Optional-Use Contract for transition management services.
- **“Response”** shall mean all information submitted in reply to this RFP, including any additional information requested by or provided to the WSIB.
- **“RFP”** shall mean this Request for Proposal, any *addendum* or *erratum* thereto, or Offeror’s written questions and the respective answers, and any related correspondence that is: (1) addressed to all Offerors, and (2) signed by the Executive Director, their designee, or the RFP Coordinator.
- **“Work Order”** shall mean the document that awards a specific project to a Contractor, and which includes the statement of work or services, deliverables, start and completion dates, compensation agreements, and other specific terms.
- **“Work Request”** shall mean a document issued by the WSIB to Pool Contractors requesting a proposal and bid for specific project services.
- **“WSIB”** shall mean the Washington State Investment Board, described in RCW 43.33A.020 and staff authorized by RCW 43.33A.100. It may also be referred to as “Board” or “Agency” in this RFP.

Additional contract definitions are provided in Exhibit E, on page one of the Attachment A General Terms and Conditions of the Sample Contract.

#### 4-2 Compensation and Payment

There is no set level of compensation attributable under the contract. Compensation for transition management services under Optional-Use Contracts resulting from this RFP shall be subject to the fee schedule set forth in each Offeror’s response. It is recognized that each transition assignment will vary by the nature of the work and methods required. However, once the apparently successful Offeror for each transition project is selected, the fee may be further negotiated. The total compensation negotiated for a project assignment shall be consistent with those fees set forth in the Offerors proposal.

#### 4-3 Expected Time Period for Contract

The WSIB expects to execute Contracts no later than January of 2019. Contracts will start on or about January 1, 2019, and terminate December 31, 2023, with an optional extension for an additional five-year term at the discretion of the WSIB.

#### 4-4 Eligibility to Compete

To eliminate potential conflicts, the WSIB does not generally hire entities that wish to provide both investment management as well as consulting services. Therefore, any firm, which either as a parent company, subsidiary, or affiliate, that is currently performing investment consulting services for the WSIB, may **not** compete in this RFP. The firm(s), or any subsidiary, affiliate or parent company thereof, selected as a result of this RFP may **not** compete during the term of the resulting contract, and any extensions thereto, in any subsequent WSIB procurement, the main purpose of which is to hire a firm or firms for investment consulting services.

## SECTION 5: INSTRUCTIONS FOR COMPLETING AND SUBMITTING BIDS

### 5-1 Board Contact

The RFP Coordinator is the sole point of contact at the WSIB. With the exception of the initial RFP submission (which should be directed to Bo Abesamis at Callan Associates, as detailed below in 5.5.1), all communications to the WSIB are to be directed in writing to [Contracts@sib.wa.gov](mailto:Contracts@sib.wa.gov).

*Contact not previously authorized by the RFP Coordinator with other WSIB staff or Board members regarding this procurement after issuance of this RFP may disqualify the Offeror.*

WASHINGTON STATE INVESTMENT BOARD  
ATTN: PHIL BRADY, RFP Coordinator  
2100 EVERGREEN PARK DRIVE SW, P.O. BOX 40916  
OLYMPIA, WA 98504-0916  
TELEPHONE: (360) 956 - 4748  
E-MAIL: [Contracts@sib.wa.gov](mailto:Contracts@sib.wa.gov)

### 5-2 Intent to Respond and Questions

A Letter of Intent to Respond in the format of Exhibit A attached hereto and any questions regarding this RFP must be in writing and **must be received by email at [Contracts@sib.wa.gov](mailto:Contracts@sib.wa.gov) and [abesamis@callan.com](mailto:abesamis@callan.com) by 4:30 p.m. Pacific Daylight Time, March 5, 2018.** The Letter of Intent to Respond must include an authorized signature. Letters of Intent to Respond are used to determine how many responses the WSIB can expect in order to plan schedules. Non-submittal of a Letter of Intent to Respond and Questions does not preclude the Offeror from submitting a Proposal or consideration of the Proposal.

The RFP Coordinator will respond to all questions in writing and post responses on the WSIB website at [www.sib.wa.gov](http://www.sib.wa.gov) for retrieval and review. Offerors are encouraged to check the website frequently for this posting. It is incumbent on an Offeror to obtain this information once posted to ensure their response is truly responsive.

### 5-3 Schedule of Procurement Activities

The following schedule of activities must be adhered to by all Offerors:

<b>Timetable - Transition Manager Search 2018</b>	
<b>Event</b>	<b>Date</b>
<b>Advertise Search</b>	<b>February 19, 2018</b>
Search Instructions Posted on WSIB Website	February 23, 2018
Offerors Questions Due	March 5, 2018
Letter of Intent to Respond Due	March 5, 2018
Answers to Offerors Questions Due	March 8, 2018
<b>Offeror's Proposals Due to Consultants</b>	<b>March 26, 2018</b>
<b>Determine Semi-Finalists</b>	<b>April 17, 2018</b>
Notification to Semi-Finalists by the WSIB	April 18, 2018
In-person/Telephone/Video Interviews with Semi-Finalists (if necessary)	On or about May 14 - June 1, 2018
Onsite visits (if necessary)	On or about June 4 - June 22, 2018
<b>Determine Finalists</b>	<b>On or about June 25, 2018</b>
<b>Presentation to the Public Markets Committee (staff only)</b>	<b>September 11, 2018</b>
<b>Board votes to approve</b>	<b>September 20, 2018</b>
Advise recommended managers if approval received ( <i>Subject to further due diligence</i> ).	On or about September 20, 2018
Contract negotiations	September 2018 through January 2019
<b>Contract Begins</b>	<b>January 31, 2019</b>
<b>Deliverables are subject to review and approval by WSIB prior to payment.</b>	

## 5-4 Procurement Modification

The WSIB reserves the right to change the Schedule or modify any part of the RFP process by issuance of an addendum to all participating Offerors. The WSIB also reserves the right to cancel or reissue the RFP in whole or in part, and for any reason, at the sole discretion of the WSIB at any time prior to execution of a contract. In the event it becomes necessary to revise any part of the RFP, addenda will be posted on the WSIB web site. Offerors are advised to check the site regularly prior to the due dates.

## 5-5 Procurement Instructions

### 5.5.1 Submitting Responses

Please send an electronic copy as well as one complete hard copy to Bo Abesamis of Callan Associates at the addresses below. Hard copy of the response should be on letter size paper, double sided, and bound with a three-hole punch binder. The completed electronic version of the RFP must be delivered by March 26, 2018 with a hard copy received no later than the next business day. Earlier responses are welcome, and **any Response delivered after the deadline will not be considered.**

Bo Abesamis  
Executive Vice President  
Callan Associates  
600 Montgomery Street  
Suite 800  
San Francisco, CA 94111  
[abesamis@callan.com](mailto:abesamis@callan.com)

If your Response contains information you consider confidential and proprietary, please mark it such and include a second electronic version with your Response labelled “Copy for Reproduction” with the confidential portions redacted or omitted. Delete only sections of “confidential” information, not the entire page unless the entire page can be defended as confidential. This electronic version will be used as the basis of a response to any Public Records Requests made for a copy of your Response. Where sections of confidential information have been deleted in this electronic version, insert this parenthetical text: “(CONFIDENTIAL INFORMATION REMOVED)” in at least 24 point type and bold. Please secure this electronic version of the “Copy for Reproduction” in a manner that will still allow the WSIB to copy the protected electronic file onto its servers, but will not allow editing of the information, nor allow access to redacted materials or information. In addition to the “copy for reproduction,” please identify those portions that are claimed as confidential in a response transmittal letter pursuant to sections 5-6. **Those Responses not marked “Confidential” are subject to full disclosure under the state Public Records laws, as will be any Responses marked “Confidential” in their entirety.**

WSIB reserves the right to retain all Responses and accompanying documentation submitted and to use any ideas contained in Responses regardless of whether that Response is selected. Responses retained shall become the property of WSIB and will not be returned. Submission of a Response constitutes acceptance of all conditions contained in this RFP, unless clearly and specifically noted in the Response submitted and confirmed and expressly accepted in the subsequent contract between the firm and WSIB.

## 5.5.2 Information and Format Requirements

*All of the conditions set forth in this section must be included, and addressed thoroughly and completely by the Offeror before the WSIB will accept a Response to this RFP.*

When responding to this RFP, we encourage you to describe the ways in which you believe your organization's service is unique or would add particular value. Please be succinct in your answers and, if certain services cannot be provided, please so state when appropriate. Responses must include answers to all questions, comply with all requests for information to permit evaluation, and shall include bookmarks and section titles separating the following parts:

### **SECTION 1: General Information**

Complete and include the General Information and Contact Sheet attached as part of Exhibit C by providing the following information:

1. Name, mailing address, phone number, and fax number of legal entity with whom the contract is to be written.
2. Name, mailing address, phone number, fax number, and e-mail address of primary contact.
3. Name, mailing address and phone number(s) of principal officer(s).
4. Legal status of organization (e.g., sole proprietorship, partnership, corporation, etc.).
5. Federal employer identification number.
6. Washington State Department of Revenue Registration Number (UBI number) if applicable.
7. The location of the facilities from which the Offeror will provide services under any Contract.

### **SECTION 2: Questionnaire**

Offerors should complete and include the Questionnaire attached as part of Exhibit C with all appendices, including public pension fund references. The RFP and exhibits are available at the WSIB website [www.sib.wa.gov](http://www.sib.wa.gov) and should be downloaded for preparation of your response. Offerors are encouraged, but not required, to use the forms provided as exhibits to the RFP. Please note that additional sheets will be necessary to adequately respond to the Questionnaire, Exhibit C. In those instances when the form provided is not used for your Response, type and number each question. If other exhibit forms attached hereto are not utilized for responding, it is nevertheless mandatory that the same format be retained when drafting your proposed approach to accomplishing the services to be provided in the Scope of Work, 2-1, and Services to be Provided, 2-2, in this RFP.

### **SECTION 3: Fee Proposal**

Use the format included as part of Exhibit C for your fee schedule proposal. WSIB recognizes that the fees associated with an individual transition management assignment may vary based on the nature of the transition, its size, and complexity. Nonetheless, WSIB requires that vendors provide full disclosure of the estimated fees and costs for a particular transition plan.

The fees proposed shall include attendance costs and the cost of lodging, meals and refreshments provided at any client conferences offered by the contractor and attended by WSIB staff or Board members.

### **SECTION 4: Minimum Qualifications Compliance Certificate** (Exhibit B attached hereto).

Utilizing the format of Exhibit B with supplemental pages as needed, please set forth a full explanation of how each mandatory minimum qualification is met by your firm. A conclusory assertion that a mandatory qualification is met is not sufficient.

### **SECTION 5: Offeror Warranties**

The Certifications and Assurances form, Exhibit D, must be signed by the president, chief executive officer, or other person with authority to bind a corporation; the managing partner of a partnership; the proprietor of a sole proprietorship; or all members of a joint venture; and included in the Offeror's bid.

### **SECTION 6: Supplemental Information**

Each Offeror may present any supplemental information which the Offeror deems appropriate, as long as each copy of the RFP Response contains such supplemental information. The Offeror may also provide supporting documentation, as necessary, for evaluators to determine relevance and value.

### **SECTION 7: Proof of Insurance**

Once selected for a contract, an Apparently Successful Offeror must, at its own expense, obtain insurance coverage which shall be maintained in full force and effect during the term of the Contract. The Apparently Successful Offeror shall furnish evidence in the form of a Certificate of Insurance, and a copy shall be forwarded to the Agency within fifteen (15) days of the notification as the Apparently Successful Offeror for the following applicable insurance:

- Commercial general liability insurance
- Professional liability insurance
- Fidelity bond
- Director's Fiduciary.

A Contract with an Apparently Successful Offeror will not be executed until insurance coverage as set forth in the Optional-Use Contract, Exhibit E has been verified.

## 5-6 Proprietary Information

All material submitted in Response to this RFP shall become the property of the WSIB. Such material is subject to public disclosure requests pursuant to Washington's Public Records Act, found in chapter 42.56 RCW, as well as pursuant to rules promulgated by the WSIB, in chapter 287-02 Washington Administrative Code (WAC) and cases decided by Washington courts. The WSIB's public records policy may be viewed at: [www.sib.wa.gov/boardandcommittees/policies/2\\_00\\_250.pdf](http://www.sib.wa.gov/boardandcommittees/policies/2_00_250.pdf)

All submissions will be treated as confidential and exempt from public disclosure until the Successful Offeror(s) resulting from this RFP, if any, is announced by the WSIB. Thereafter, submissions are subject to public disclosure, unless material has been properly designated as confidential and satisfies one of the exemptions from public disclosure under Washington laws.

The materials submitted by the Apparently Successful Offeror will be attached to the resulting Optional- Use Contract and incorporated therein by that attachment. In general, unless particular material has been properly designated as confidential and exempt from public disclosure under Washington laws, such materials will be deemed public records and subject to public disclosure requests.

In the event that an Offeror desires to claim portions of their response as exempt from disclosure under the provisions of Washington's laws, as noted above, it is incumbent upon that Offeror to clearly identify those portions which are claimed as confidential in a response transmittal letter and to provide a "Copy for Reproduction" as noted in section 5.5.1. The transmittal letter must identify the page and particular exemption(s) from disclosure upon which it is making its claim. The generally available exemptions from public disclosure are noted in the WSIB's public disclosure policy, which may be accessed at the WSIB's web pages at the address noted above. ***Designating the entire response as confidential or proprietary information is not acceptable and will not be honored, and it may subject the offeror's response to being rejected for not being responsive.***

The WSIB will consider all requests for exemption from disclosure; however, the agency will make a decision predicated upon RCW 42.56.210-.480 and the current WSIB Public Records Policy. In so doing, the WSIB will exercise good faith in responding to requests for public disclosure of public records, will not discriminate between persons requesting records, and will protect legitimate confidentiality interests.

If any of the specifically requested information is marked as "confidential" in the response but in the opinion of the WSIB does not conform to any one of the enumerated exemptions from disclosure in RCW 42.56.210-.480, such information will not be made available until at least five (5) business days after the affected Offeror has been notified that the information has been requested, to permit the Offeror an opportunity to contest the public disclosure request.

Should a successful Offeror obtain a court order from a Washington State court of competent jurisdiction prohibiting disclosure of parts of its Response prior to the execution of the Contract incorporating the same, the WSIB will comply with the court order. The burden is upon a successful Offeror to evaluate and anticipate its need to maintain confidentiality and to proceed accordingly.

If the affected Offeror has undertaken proceedings within the timeframe to obtain a court order restraining the WSIB from disclosure of the "confidential" information within those five (5) days, the WSIB will not disclose such information until resolution of the court proceeding. Upon failure to make application for judicial relief within the allowed period, the information will be disclosed.

It should be noted, however, that time is of the essence in this solicitation process. Although the WSIB will work in good faith to accommodate legal proceedings concerning confidential information, a delay in execution of the Contract to accommodate a petition to the courts might not be possible or might not be granted.

## 5-7 Records Retention

After the date of the announcement of the Apparently Successful Offerors, the WSIB will retain all products of information received under this procurement in accordance with state record retention laws.

## 5-8 Preparation and Travel Costs

Expenses for the development and submission of required information are the sole responsibility of the Offeror(s). The WSIB will not be liable for any costs associated with preparation and submission of information submitted in response to this RFP.

The Offeror assumes responsibility for their personnel's travel and associated costs as they relate to this RFP. These costs must be considered in the cost of the fees that will be proposed.

## 5-9 Response Evaluation

### 5.9.1 Evaluation Process

The review of the Offeror will be based upon the completeness of the response, reputation, cost of services, quality of previous performance, if any, and any subsequently requested materials. Responses will be reviewed by evaluators who are representatives of the WSIB. After review of the Responses, the evaluators may select a group of Offerors for either phone or face-to-face interviews.

**The WSIB reserves the right, at its sole discretion, to reject, without penalty, any and all responses received. The final selection, if any, will be the Responses, which in the opinion of the WSIB, best meet the requirements set forth in the RFP and are in the best interest of the WSIB and the state of Washington.**

The selection will be accomplished through the following process.

- A. Initially, Callan Associates will review each RFP for compliance with the minimum mandatory requirements as stipulated within the RFP, and provide the appropriate information to the WSIB. Noncompliant Responses will be rejected from further consideration. The WSIB will make the final determination on all Response rejections.
- B. The WSIB and Callan will evaluate the acceptable Responses against the items shown in the "Evaluation Criteria" section.
- C. Through the Response evaluation process, the evaluators will identify a group of Offerors.

Staff recommend Offerors to the Public Markets Committee for its consideration. If the Public Markets Committee approves, the Committee will recommend final Offerors to the Board for its approval.

Through the selection process, WSIB reserves the right: (i) not to select any proposal; (ii) to select any portions of a particular proposal for further consideration; (iii) to accept a proposal other than the lowest cost proposal submitted; or (iv) to reject any and all proposals received if such action is considered by WSIB in its sole discretion to be in the best interests of WSIB.

### 5.9.2 Evaluation Criteria

Proposals will be evaluated by both Callan Associates and WSIB staff, and WSIB will make any final decision to award the contract. During the evaluation process, the Board and staff may, at its discretion, request in person presentations and interviews for additional evaluation. Proposals will be evaluated based on, but not limited to, the following criteria:

- Firm structure and commitment to transition management
- Transition management business structure and stability, including verifiable track record
- Personnel and documented experience of key professionals
- Infrastructure, project and operational discipline and processes
- Transition management expertise and experience amongst different types of transitions
- Transaction analytics (pre and post-trade analyses) – relevance, clarity, and content
- Portfolio management capabilities and extent of discretionary authority
- Risk management approach
- Disclosure of fees for services requested and associated costs
- Overall quality and responsiveness of proposal

### 5.9.3 Oral Interviews

The WSIB may choose to conduct oral interviews for final selection of Contractors. Interviews may be conducted in-person or by telephone at WSIB's discretion. The oral presentations will be evaluated to develop a consensus decision of the Apparently Successful Offerors to be recommended for Public Market Committee and Board action.

In both instances, the evaluation will be based on the technical criteria specified in this RFP (e.g., organization, experience and expertise, quality and innovativeness of advice, quality of research, fees, etc.), plus these additional factors:

1. The cohesiveness of the oral presentation.
2. Consistency between the oral interviews and the firm's written bid.
3. Reference checks, focusing on past performance (including the WSIB's experience, if applicable) and the firm's ability to:
  - a. Perform quality transition management services.
  - b. Work well with the Board and staff.
  - c. Respond to special requests.
4. The firm's responsiveness during the interview process.

## 5-10 Addenda to the RFP

In the event that it becomes necessary to revise any part of this RFP, an *addendum* or *erratum* in numerical sequence will be provided to all Offerors who have indicated an intention to submit a response and will be posted on the WSIB's website.

## **5-11 Submission Limit**

After submission, Offerors will not be allowed to amend the information submitted unless specifically asked to by WSIB staff.

## **SECTION 6: WSIB RIGHTS**

### **6-1 Information Clarifications/Rejections**

Determination of clarity and completeness in the Responses to any of the provisions in this RFP will be made solely by the WSIB. The WSIB reserves the right to require clarification, additional information, and materials in any form relative to any or all of the provisions or conditions of this RFP.

The WSIB reserves the right to reject any or all Responses at any time prior to the execution of a contract acceptable to the WSIB, without any penalty to the WSIB.

### **6-2 Contract Award**

The WSIB intends to award a contract to the Apparently Successful Offeror(s) with the best combination of attributes based on the evaluation criteria listed in the “Bid Evaluation Criteria” Section 5-9.2 of this RFP.

The WSIB reserves the right to make an award without further discussion of the Response submitted. Therefore, the Response should be submitted initially on the most favorable terms which the Offeror can propose. There will be no best and final offer procedure. The WSIB does reserve the right to contact an Offeror for clarification of its Response.

The Offeror should be prepared to accept this RFP for incorporation into a Contract resulting from this RFP. Contract negotiations may incorporate some or the Offeror’s entire Response. It is understood that the Response will become a part of the official procurement file on this matter without obligation to the WSIB.

Should the WSIB fail to negotiate a Contract with an Apparently Successful Offeror, the WSIB reserves the right to negotiate and contract with the next most qualified Offeror.

### **6-3 Publicity**

No informational pamphlets, notices, press releases, research reports, and/or similar public notices concerning this project may be released by the Apparently Successful Offerors without obtaining prior written approval from the WSIB.

### **6-4 Waivers**

The WSIB reserves the right to waive specific terms and conditions contained in this RFP.

It shall be understood by Offerors that the information provided is predicated upon acceptance of all terms and conditions contained in this RFP unless the Offeror has obtained such a waiver, in writing, from the WSIB prior to submission of any requested information. Any waiver, if granted, will be granted to all Offerors.

## SECTION 7: MISCELLANEOUS TERMS AND CONDITIONS

### 7-1 Successful Offeror Notification

On or about the date specified in Section 5.3, "Schedule of Procurement Activities," of this RFP, a letter indicating whether the Offeror was selected as an "Apparently Successful Offeror" will be emailed to each Offeror who submitted a Response, in accordance with the procedures specified in this RFP.

### 7-2 Right to Protest, Determination of Timeliness, and Protest Procedures

Any actual Offeror who is aggrieved in connection with the procurement or award of a contract may protest, in writing, to the Legal Department of the WSIB. Only protests identifying an issue of fact concerning a matter of bias, discrimination or conflict of interest, or non-compliance with procedures described in the procurement document or agency policy shall be considered.

Offerors protesting this procurement solicitation or award shall follow the procedures described herein. Protests that do not follow these procedures shall not be considered. This protest procedure constitutes the sole administrative remedy available to Offerors under this procurement.

Upon exhaustion of this remedy, no additional recourse is available within the WSIB. Chapter 34.05 RCW, Administrative Procedures Act (APA), does not apply to this procurement.

All protests must be in writing and signed by the protesting party or an authorized agent. The protest must state all facts and arguments on which the protesting party is relying. All protests shall be addressed to the Washington State Investment Board, Legal Department, and the RFP Coordinator.

#### 7.2.1 Contents of Protest

To expedite handling of protests, the envelope should be labeled "Protest." The written protest shall include, at a minimum, the following:

1. The name and address of the protester
2. The appropriate identification of the procurement, including contract number if a contract has been awarded.
3. A statement of reason(s) for the protest.
4. Any supporting exhibits, evidence, or documents to substantiate any claims unless not available within the filing time, in which case a descriptive title of the document and its expected availability date shall be indicated.

If a protest may affect the interest of any Offeror(s), such Offeror(s) will be given an opportunity to submit its view and any relevant information on the protest to the WSIB Contracts Office.

## 7.2.2 Types of Protest

- A. Protests of the RFP documents or processes must be received by the WSIB Contracts Office no later than 3:00 p.m., Pacific Time five (5) business days prior to the date Responses are due. Filing of a protest about the RFP does not entitle the protesting party to an extension of time for submitting its Response.
- B. If the protest is for rejection of an Offerors' submitted Response, the protest must be received by the WSIB Contracts Office no later than 3:00 p.m., Pacific Time on the fifth business day following Offeror's receipt of the notice of rejection, whether oral or written, or the announcement of the Apparently Successful Offeror(s), whichever occurs first. Only those who are eligible to submit a Response under the criteria established for the particular procurement involved may protest the rejection of submitted information.
- C. If the protest is regarding the award of a contract to an Apparently Successful Offeror under this RFP, the protest must be received by the WSIB Contracts Office no later than 3:00 p.m., Pacific Time on the fifth business day following the date of the notification of Apparently Successful Offeror letter, outlined in Section 7.2 of this RFP. Only those who have submitted a valid bid under the criteria established for this particular RFP may protest the award of a contract.

Upon receipt of a protest, a protest review will be held by the Chief Operations Officer to review the RFP process utilized. This is not a review of Responses submitted. The review is to ensure agency policy and procedures were followed, all requirements were met, and all Offerors were treated equally and fairly.

The Chief Operations Officer will consider the record and all facts available and issue a decision within five (5) business days of receipt of the protest unless additional time is required. In which case, the protesting party will be notified by the Chief Operations Officer or the RFP Coordinator of the delay. The decision of the Chief Operations Officer will be final and conclusive.

## 7-3 Debriefing of Unsuccessful Offerors

Unsuccessful Offerors will be afforded a debriefing conference upon request. The request for a debriefing conference must be received by the RFP Coordinator within three (3) business days after mailing by WSIB of a notification to the unsuccessful Offerors. Discussion will be limited to a critique of the requesting Offeror's Response. Comparisons between Responses or evaluations of the other Offeror's Responses will not be allowed. Debriefing conferences may be conducted in person or by telephone/video conference and will be scheduled for a maximum of one hour. The debriefing conference must be held within thirty (30) days after mailing by the WSIB of notification to the unsuccessful Offerors.

## 7-4 Stay of Contract Execution During Protests

In the event of a timely protest, the WSIB may proceed further with the procurement but shall not execute the Contract unless the protest is decided or until the Executive Director or a designee makes a written determination that the award of the Contract without delay is necessary to protect substantial interests of the WSIB.

## 7-5 Entitlement to Costs

In addition to any other relief, when a protest is sustained and the protesting Offeror should have been awarded a Contract under the procurement but was not, then (except if the protesting Offeror is found to be substantially at fault) the protesting Offeror shall be entitled to its reasonable submission preparation costs, but not attorneys' fees or anticipated profits.

## 7-6 Minority & Women-Owned Business Participation

In accordance with the legislative findings and policies set forth in chapter 39.19 RCW, the state of Washington encourages participation in all of its contracts by firms certified by the Office of Minority and Women's Business Enterprises (OMWBE). Participation may be either on a direct basis in response to this solicitation or on a subcontractor basis. However, no preference will be included in the evaluation of proposals, no minimum level of MWBE participation shall be required as a condition for receiving an award and proposals will not be rejected or considered non-responsive on that basis. Any affirmative action requirements set forth in federal regulations or statutes included or referenced in the contract documents will apply.

## 7-7 General Contract Terms and Conditions

A contract may result between WSIB and the successful Offeror from this procurement process. Exhibit E of this RFP contains the special and general terms and conditions that shall be agreed to.

**The submission of a response constitutes acceptance by the Offeror of the special and general terms and conditions.**

**The WSIB's intent is to have the sample contract accepted as presented without material changes. It is strongly recommended that your firm's legal counsel review the attached contract. If your firm is unwilling or unable to accept the terms of the contract set forth, you must identify your concerns in a cover letter that is to accompany your Certifications and Assurances, and must include a red-line markup of Exhibit E outlining proposed changes. However, WSIB reserves the right at its sole discretion to approve or disapprove changes to the contract.**