

POLICY NUMBER: 1.10.100**EFFECTIVE DATE:** 11/21/24**TITLE:** Role of Consultants**SUPERSEDES:** 11/18/21**BOARD ADOPTION:** 11/21/24**REVIEWED:**

PURPOSE

This policy provides Board members and staff with guidance on the role of consultants. For purposes of this policy, consultants include general pension consultants, asset class-specific consultants, the Attorney General's Office, and any outside litigation legal advisors. The nature and scope of any assignment to a consultant must be consistent with the range of services described in the underlying consultant contract unless, the contract manager has been notified prior to the commencement of work on the assignment.

For public equity investment manager selection, staff utilize consultants to assist with data compilation, communicate with prospective manager candidates, and provide selected input when requested.

For legal advisors, assignments are made through the Attorney General's Office. Legal fees are usually time-based, and discretion must be used when assigning work to that office.

For purposes of this policy, consultants do not include management, human resources, risk and compliance, general research, technology, operational, or other providers that the Chief Executive Officer (CEO) may engage.

POLICY

The Board's role is to approve the structure and strategy of its investment programs, approve the selection and termination of investment managers, and investment consultants, except as provided for in the Delegation of Authority Policy 1.05.100, and provide oversight. The role of staff is to plan, research, recommend, implement, and monitor.

Consultants are hired by, report to, and are accountable to the Board. Consultants work with the staff in developing recommendations. A joint recommendation is permissible; however, consultants are encouraged to provide the Board with independent recommendations, as the end goal is the delivery of the consultant's best and wisest independent advice and counsel. That independent capacity should not be compromised in any way by the identity, role, or title of the individual seeking counsel, information, or advice on behalf of the Board.

The following describes the interaction between consultants, Board, and staff:

1. Only the Board Chair or a Committee Chair may initiate a Board member-requested consultant assignment. The CEO should be informed in advance of the requested assignment.
2. As a means to facilitate Board member education, any Board member may contact a consultant with questions, comments, or inquiries for readily available information. The CEO should be informed by the consultant if the request would fall outside the scope of service in the consultant's contract or impair in any way the consultant's ability to operate effectively.

3. When staff assigns non-routine projects to consultants, the Board is to be informed at its next regularly scheduled meeting.
4. From time to time, potential consultants initiate contacts with Board members. Board members may refer the potential consultant to staff or deal directly with the inquiry. However, during procurement processes, potential consultants should contact only the designated procurement coordinator with respect to the relative procurement.

POLICY REVIEW

The Board shall review this policy at least once every three (3) years to ensure that it remains relevant and appropriate.

Policy Adopted 2/16/95

Revised 7/20/95

Revised 10/16/03

Revised 7/20/06

Revised 6/21/12

Revised 11/19/15

Revised 11/15/18

Revised 12/16/21

Revised 11/21/24