Rhode Island Airport Corporation

July 23, 2019

Request for Proposals
Contract No. 28632
Pension Consulting Services
INTRODUCTION
The Rhode Island Airport Corporation (RIAC) is seeking Request for Proposals (RFP) from qualified Firms to provide professional pension consultant services. The principal duty of the consultant will be to act in the capacity as a pension consultant to the RIAC Board of Directors, acting through its Pension Committee, and to assist the Pension Committee in reviewing RIAC’s existing pension plan, including the investment array, fees, and investment performance. The Pension Committee meets at least semiannually to review plan performance, but will also meet as needed for administrative business.

REQUEST FOR PROPOSALS REQUIREMENTS
RIAC requires respondents to keep the proposal to a maximum of ten (10) double sided 8½” x 11” pages, typed no less than 12 point font size, excluding:
- Executive Summary (one page, single sided)
- Table of Contents
- Professional References

Proposing Firm shall submit five (5) printed copies and one (1) electronic (thumb drive only) copies of the proposal to:

Office of Procurement
Rhode Island Airport Corporation
T. F. Green Airport
2000 Post Road
Warwick, RI 02886-1533
Attn: Pension Consultant Services – Contract No. 28632

The proposal must be submitted no later than 4:00PM EDT, August 20, 2019. Late submissions will not be accepted.

In order to control the dissemination of information regarding this Request for Proposals (RFP), Firms interested in submitting proposals shall not make personal contact with any member of RIAC staff or Board of Directors regarding this RFP. Questions concerning this RFP should be directed, via email, to procurement@pvdairport.com no later than 4:00PM EDT, August 2, 2019. RIAC will issue any addendum(s) to the RFP no later than end of day August 6, 2019. This addendum will be posted to RIAC’s website (www.pvdairport.com/corporate/procurement) and the State of Rhode Island’s Division of Purchasing website (www.purchasing.ri.gov/).

RIAC accepts no financial responsibility for any costs incurred by a Firm in responding to this RFP, participating in oral presentations, or meeting with RIAC prior to being awarded the contract. The proposals in response to this RFP become the property of RIAC and may be used by RIAC in any way it deems appropriate. All information submitted in response to this RFP is deemed public and subject to disclosure unless a separate redacted public copy is submitted, regardless of whether the information is marked confidential/proprietary. Firm’s may redact in the public copy any trade secrets or commercial or financial information which is of a privileged or confidential nature pursuant to the Access to Public Records Act (R.I. Gen. Laws § 38-2 et. seq.). If Firm does not submit a redacted public copy, RIAC assumes that Firm is not seeking confidential treatment for any of its information and thus, all information is subject to public disclosure.
By submitting a proposal, the Firm certifies that it has fully read and understands the RFP, has full knowledge of the scope of work to be provided, and accepts the terms and conditions under which the services are to be performed. RIAC will be the sole judge in determining as equivalent products (if applicable).

RIAC reserves the right to interview some, all or none of the Firms responding to this RFP based solely on its judgment as to the Firms proposals and capabilities. RIAC reserves the right to reject any and all submittals, to request and consider additional information from submitters, and to reject any and all submittals on any basis without disclosing the reason. No Firm may withdraw their submittal for at least one hundred twenty (120) days after the time and date set for submission. RIAC reserves the right to modify, amend or waive any provisions of this RFP, prior to the issuance of a contract.

**STANDARD PROFESSIONAL SERVICE AGREEMENT (PSA)**
RIAC’s standard PSA is attached hereto and incorporated herein as Attachment A. RIAC requires the successful Firm to execute this PSA and no changes to the PSA will be allowed. The term of this PSA shall be for three (3) years from the commencement date, expected to be January 1, 2020.

**RIAC’S CURRENT PENSION INFORMATION**
RIAC’s current pension consists of a 414(h) administered by the Principal Financial Group with approximately $20 million in assets. RIAC also offers its employees the ability to contribute to their retirement via a 457 deferred compensation plan. Employees currently have two investment options for the 457 deferred compensation plans: Valic with approximately $3.3 million in assets and Voya with approximately $2.9 million in assets.

RIAC has a Pension Committee that meets quarterly to review fund performance and to monitor the main retirement plan, the 414(h) with Principal. The Committee is comprised of the RIAC President & CEO, RIAC Board of Directors Chairperson and an employee representative from the Union.

RIAC has an Investment Policy Statement (Attachment B).

**ADDITIONAL INFORMATION**
Additional information about RIAC, including the Audited Financial Statements, can be found on the website at [www.pvdairport.com](http://www.pvdairport.com).

**SUBMITTAL CRITERIA**
Please address the following areas in your written submission. The information you provide should relate to the office within your Firm which will have primary responsibility for the servicing of RIAC’s account. If you intend to have more than one office directly involved in providing the services included in your proposal, please specify the location of each office and segregate your responses by office.
Organizational Description:
Please provide the following information:
- Identify your principal address;
- Identify the number of offices you have;
- Identify the servicing office that will handle this account; and
- Identify the total number of professionals who will service RIAC.

Please provide three (3) client references. Explain the size and nature of each of these organizations, their approximate plan assets and the length of time each has been a client of your Firm. Include the name of a contact person for each reference including name, company, address, telephone number and email address.

Disclose any potential conflicts of interest.

Account Executive and Team Members:
Designate the Account Executive/Team Leader who will be primarily responsible for your Firm's activities for RIAC. Identify the members of the team, including all backup and alternative personnel, who would be designated to work on the account.

- Detail the experience that each team member has with clients of comparable size and exposure;
- Detail the proposed responsibilities of each team member and specifically identify any area of expertise;
- Provide a resume for each team member. The resume should include academic background, work experience and length of time with your Firm and industry experience; and
- Provide an organizational chart of your Firm describing the team members' function within your organization.

Experience
- Summarize relevant experience and involvement of your Firm and the team members with other public sector accounts, including airports. Please indicate accounts with comparable organizational structure that are serviced by your office. If any of your services are contracted out, please identify the nature of that service.

Expertise:
- Recommend your top three changes to RIACs Investment Policy;
- Describe your employee education program;
- Summarize your recommendations for quarterly meeting content;
- Frequency and content of reports provided to clients;
- Do you currently work with any of our providers? (Principal, Valic, Voya);
- Which providers do you find have provided the best results for your clients?;
- Explain what distinguishes your Firm from others; and
- Why do you believe your Firm can best meet the Pension plan/Investment Advisory needs of RIAC?
Fee Proposal:
Given your Firm’s proposed scope of work and staffing, discuss your proposed fee arrangements. If you propose to be compensated on the basis of time and materials, provide a schedule of the hourly billing rate for the personnel list, and provide a list of the types of expenses for which you would expect to be reimbursed.

Please provide detailed fees associated with the following:
- Quarterly committee meetings held at RIAC offices.
- Employee educational meetings.
- Participation in RIAC Board meetings if requested.
- RFP services if requested.

EVALUATION CRITERIA
Proposals will be evaluated by a Selection Committee, which will be seeking to distinguish which Firm has, through the appropriate combination of several criteria, the abilities to best perform the required services to the satisfaction of RIAC. While some criteria may be ranked higher than others in the selection process, the proposal that achieves the highest overall ranking will be considered top-ranked by the Selection Committee. The proposals will be evaluated using the following criteria:

1. The quality and extent of the Firm’s experience and expertise in the area of investment advisory services for organizations similar to those of RIAC. (30 points)
2. The qualifications of the individuals who would be primarily responsible for providing services to RIAC. (30 points)
3. The proposed fee schedule for the services to be provided. (35 points)
4. Other criteria shown to be relevant to the circumstances by the context of the applicants' proposals. (5 points)

INSURANCE REQUIREMENTS
Evidence of insurance as specified in the Professional Services Agreement.

ADDITIONAL REQUIREMENTS
Campaign Finance Compliance
Every person or business entity providing goods or services at a cost of $5,000 cumulated value is required to file an affidavit regarding political campaign contributions with the RI State Board of Elections even if no reportable contributions have been made (RI General Law 17-27). Forms may be obtained at Board of Elections, Campaign Finance Division, 50 Branch Avenue, Providence, RI 02904, (401-222-2056).

Major State Decision-Maker
Does any Rhode Island “Major State Decision-Maker”, as defined below, or the spouse or dependent child of such person, hold (i) a ten percent or greater equity interest, or (ii) a $5,000 or greater cash interest in this business?

For purposes of this question, “Major State Decision-Maker” means:
(i) All general officers; and all executive or administrative head or heads of any state executive agency enumerated in R.I.G.L. § 42-6-1 as well as the executive or administrative head or heads of state quasi-public corporations, whether appointed or serving as an employee. The phrase “executive or administrative head or heads” shall include anyone serving in the positions of president, senior vice president, general counsel, director, executive director, deputy director, assistant director, executive counsel or chief of staff;

(ii) All members of the general assembly and the executive or administrative head or heads of a state legislative agency, whether appointed or serving as an employee. The phrase “executive or administrative head or heads” shall include anyone serving in the positions of director, executive director, deputy director, assistant director, executive counsel or chief of staff; and

(iii) All members of the state judiciary and all state magistrates and the executive or administrative head or heads of a state judicial agency, whether appointed or serving as an employee. The phrase “executive or administrative head or heads” shall include anyone serving in the positions of director, executive director, deputy director, assistant director, executive counsel, chief of staff or state court administrator.

If your answer is “Yes”, please identify the Major State Decision-Maker, specify the nature of their ownership interest, and provide a copy of the annual financial disclosure required to be filed with the Rhode Island Ethics Commission pursuant to R.I.G.L. §36-14-16, 17 and 18.

**Title VI Solicitation Notice**

RIAC, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 USC §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders or offerors that it will affirmatively ensure that any contract entered into pursuant to this advertisement, disadvantaged business enterprises and airport concession disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.
ATTACHMENT B

Rhode Island Airport Corporation

Rhode Island Airport Corporation

Investment Policy Statement

Approved on
February 18, 2011
INVESTMENT POLICY STATEMENT OF
Rhode Island Airport Corporation Retirement Plan, hereinafter referred to as the “Plan”.
Contract/Plan ID Number: 4-38831

I. PURPOSE OF THIS STATEMENT
The Plan Sponsor, Rhode Island Airport Corporation, hereby establishes the following policy for administering the Plan’s investment program. The Investment Policy Statement sets forth the investment objectives and guidelines that may be applied within the investment program to insure that the Plan is managed in a manner consistent with the Plan document and applicable statutory requirements. By establishing and communicating clear investment guidelines and objectives, the Plan Sponsor can enhance the effectiveness of the Plan’s investment program and thereby contribute to the overall goal of retaining and recruiting employees by delivering an attractive, competitively priced retirement program.

The Plan Sponsor reserves the right to amend this Statement at any time as deemed prudent or necessary. Should any amendment to this Statement be required due to changes in the Plan document or a change in applicable law, the Plan Sponsor shall have due time to review such changes and prepare and implement an appropriate amendment. Because of the dynamic nature of the economic environment, developments in financial theories, and advances in technology, this Statement will be examined by the Plan Sponsor from time to time on a formal or informal basis and may, as a result of such examination, be revised by the Plan Sponsor.

II. INVESTMENT OBJECTIVES

The primary objectives of the Plan’s investment program are as follows:

- **Program Quality** - Provide quality investment options that generate a high level of participation and satisfaction for both current and former employees.

- **Participant Control** – Allow Plan participants to exercise control over their retirement accounts by providing them the ability to direct the investment of account assets. In doing so, the Plan intends to meet the “safe harbor” requirements of ERISA §404(c) and applicable regulations.

- **Diversification** – Offer participants access to an appropriate range of prudent investment options that enables them to construct a well-diversified portfolio. In selecting these investment options, the Plan Sponsor can materially affect the potential level and variability of returns on amounts in the participants’ investment accounts. The availability of suitable investment options will allow Plan participants to materially affect the potential returns on amounts in their accounts, control the degree of risk to which such amounts are subject, and create a portfolio with aggregate risk and return characteristics normally appropriate for Plan participants and which, through diversification, can help minimize the Plan participant’s overall risk, especially the risk of large losses.
PURPOSE

The purpose of this Investment Policy Statement (IPS) is to assist the Plan Sponsor in effectively supervising, monitoring and evaluating the investment of the Plan assets.

III. INVESTMENT GUIDELINES

The Plan Sponsor has established the following guidelines for administering the Plan’s investment program:

A. Diversification

In recognition of the fact that diversification can be one of the best tools for reducing portfolio risk, the Plan Sponsor will make available to the Plan participants at least three broadly diversified investment options, each of which shall offer materially different risk and return characteristics.

B. Investment Categories

All classes or categories of investments allowed by ERISA as acceptable investment choices may be considered by the Plan Sponsor in determining the investment options to be made available to the Plan participants. The Plan Sponsor may, as it deems appropriate, select and make available to the Plan participants investment options in the form of commingled funds, such as insurance company separate accounts, mutual funds, and bank collective trusts, from any or all investment categories listed below, in addition to guaranteed or stable value investments.

To the extent that the Plan Sponsor deems it appropriate and consistent with the Plan document and this Statement, the Plan Sponsor may select and make available one or more customized investment portfolios and retain an investment manager to manage the assets of each such portfolio.

The following asset classes are permitted for Plan investment options:

1. **Stable Value** – portfolio comprised primarily of short-term, high quality debt securities including money market investment options, stable value options, and guaranteed interest arrangements.

   *Strategic Purpose:* Stable returns, income, diversification

2. **Fixed Income** - portfolios primarily composed of debt securities issued by the U.S. government, U.S. government sponsored/related agencies, and U.S. domiciled corporations or if international bonds, debt securities issued by foreign governments, foreign government sponsored/related agencies, and foreign corporations. Investment options may include all quality ranges (high, medium and low), all durations (short, intermediate and long), be broadly diversified or concentrated (sector funds), and be either actively or passively managed (indexed).

   *Strategic Purpose:* Income, diversification, deflation hedge (international only).
3. **Real Estate** – portfolio consists primarily of owned real estate investment options including real estate investment trusts of all types and other commingled real estate equity investment options.

*Strategic Purpose:* Income, diversification, inflation hedge

4. **Domestic Stock** - portfolios composed primarily of the common stocks of U.S. domiciled corporations. Investment options may include different sizes (large-cap, mid-cap and small-cap) and styles (value, growth and blend). Such options may be broadly diversified or concentrated (sector funds), and may be either actively or passively managed (indexed).

*Strategic Purpose:* Long-term growth

5. **International or Foreign Stock** – portfolios composed primarily of the common stocks of corporations domiciled outside the U.S. Investment options may include different regional and emerging markets funds, a variety of sizes (large-cap, mid-cap and small-cap) and styles (value, growth and blend), be broadly diversified or concentrated (sector funds), and be either actively or passively managed (indexed).

*Strategic Purpose:* Long-term growth, diversification

6. **Balanced/Asset Allocation** – portfolio consists primarily of significant proportions of both equities and fixed income investments. Also included are lifestyle or lifecycle investment options which are fully diversified single investment options matched to participants' retirement goals, risk tolerance, and/or investment time horizon.

*Strategic Purpose:* Long-term growth, risk reduction (via rebalancing)

7. **Other** – Prudent asset classes as determined by the Plan Sponsor.

**C. Selection of Investment Managers and Investment Options**

The Plan Sponsor may select investment managers and, where appropriate, investment options based on the evaluation of qualitative and quantitative factors. The review process will focus on the following five key aspects of an investment management firm and investment option:

1. **Organization** – evaluate the key elements of an efficient and successful investment management organization such as stable firm ownership, clear business objectives, industry reputation, and experienced and talented investment staff.

2. **Investment Philosophy and Process** – evaluate the key elements of a valid and well-defined investment approach such as unique sources of information, disciplined buy/sell decisions, systematic portfolio construction, and adequate risk controls.

3. **Resources** – evaluate the state of current and proposed resources supporting the investment process including the quality and depth research and the adequacy of information management, compliance and trading systems.
4. **Performance** – evaluate investment managers’ historical returns and risks relative to passive indexes, and peer groups over longer time periods, like three and five years.

5. **Management Fees** – evaluate the proposed fee structure relative to the industry and other competing candidates to ensure fees are appropriate.

These factors are intended to insure that investment manager/option selections are compatible with the requirements of ERISA §404(c), made with a prudent degree of care, and that excessive risk is avoided. Notwithstanding the above, the Plan Sponsor may also include other factors that they believe are appropriate for a specific investment manager/option selection exercise.

D. **Monitoring of Investment Managers and Investment Options**

The objective of the investment manager and investment option monitoring process is to identify on a timely basis adverse changes to the investment manager’s organization or investment process by periodically evaluating a number of qualitative and quantitative factors. In addition, once adverse changes are identified, the monitoring process shall dictate the timing and manner of response.

The Plan Sponsor shall evaluate the investment managers/options at least annually, in addition to using any other factors the Plan Sponsor believes are appropriate to the inquiry. These factors are intended to insure that the decisions to retain investment managers/options are made with a prudent degree of care and that excessive risk is avoided.

If results from the monitoring process indicate substandard investment performance or potentially adverse change in the investment manager’s organization or investment process, the Plan Sponsor may choose one of several courses of action including assigning the investment manager/option a temporary probationary status known as the Watch List, undertaking an in-depth review, or terminating the investment manager/option.

Being placed on the Watch List is meant to convey the Plan Sponsor’s increased level of concern about a particular issue or event, which if left unresolved, could endanger the future relationship with the investment manager. An in-depth review may be undertaken as a result of the manager failing to rectify the issues that led to their placement on the Watch List, or in response to major adverse changes in the investment manager’s organization or investment process, to the extent that the Plan Sponsor seriously questions the firm’s ability to manage the portfolio going forward. The purpose of the in-depth review is to determine whether terminating the manager/option is an appropriate course of action. As with the investment managers/options residing on the Watch List, the Plan Sponsor may wish to recommend that participants suspend contributions until the in-depth review is completed.

E. **Elimination of Investment Managers and Investment Options**

The Plan Sponsor may eliminate a Plan investment manager or investment option any time as the Plan Sponsor deems it in the best interests of the Plan and the Plan participants and their beneficiaries. The Plan Sponsor may also eliminate any existing investment manager/option for the following reasons:
• Failing to attract sufficient Plan contributions to warrant continued availability to the Plan participants;
• Changing investment manager or investment option practices such that they are no longer materially consistent with this Statement, or this Statement changes so that it is no longer materially consistent with the practices of an investment manager or investment option; and,
• Final recommendation of an in-depth review.

The Plan Sponsor may also add, eliminate, or replace any Plan investment manager/option as the needs of the Plan participants change, or for any other prudent reason.

F. Selection of an Investment Default

Plan Sponsor will direct retirement funds to an investment option default if the participant does not provide investment direction. Plan Sponsor may choose to comply with the qualified default investment alternative (QDIA) regulations. These regulations provide fiduciary relief for those retirement funds that are directed to a QDIA for those participants and beneficiaries who have not provided investment direction. If the conditions are met, the participant will be treated as having exercised control over the defaulted retirement funds, and a fiduciary of the plan will not be held liable for investment outcomes that may occur as a result of how defaulted retirement funds were directed. The regulations do not relieve Plan Sponsor of responsibility to prudently select and monitor the retirement plan’s QDIA.

G. Proxy Voting

Consistent with ERISA 404(c), proxy voting with respect to mutual funds, amounts held under a self-directed brokerage account (SDBA) and XYZ Stock will be passed through to participants in the Plan. With respect to any collective investment trust, group annuity separate account or other pooled investment option where the assets of the pool are plan assets under ERISA, the proxy voting responsibility with respect to the voting securities in the pool will rest with the investment manager for the pool. To the extent that the responsibility for voting proxies of securities held in an investment option is not a responsibility of an investment manager, the proxies shall be voted in accordance with the Plan document(s) and in the best interests of the Plan participants.