
NOVEMBER 27, 2018

**AGENDA ITEM 4
ACTION ITEM**

CALIFORNIA ABLE ACT BOARD

Resolution No. 2018-10: Approval to Issue Request for Proposals for Investment Consultant Services

Action Recommended

Adopt Resolution No. 2018-10 authorizing the Executive Director to issue a Request for Proposals No. ABLE 03-18 (“RFP”) for Investment Consultant Services.

Background

The task of developing and implementing a savings program is complex work that requires a high level of knowledge and expertise with respect to the investments industry and the laws to which it is subject. The California ABLE Act Board (Board) has limited staff resources. For these reasons, staff is recommending procuring the services of a qualified investment consultant to provide the Board with assistance in its role as fiduciary to the California ABLE Program Trust (Trust). The investment consultant would assist the Board with (i) creating and regularly reviewing and/or revising the statement of investment policy and monitoring criteria for the Trust, (ii) evaluating program administrator and investment manager (program manager) proposals, and (iii) monitoring the investment performance of the program manager.

The term of agreement of this RFP is for one (1) year for an amount not to exceed \$150,000 with the option to extend two (2) times for an additional year at the same or lower rate(s).

The Board has an existing contract with Pension Consulting Alliance (PCA), which is set to expire in March 2019. However, staff continues to have ongoing need for these services.

Scope of Services

The Scope of Work in the RFP includes the following:

- The Contractor will, under the direction of the Board or its designee, analyze and evaluate asset allocation plans for the Trust based on the expected use of accounts by eligible beneficiaries as well as risk reduction.

- The Contractor will create and regularly review an investment policy statement and monitoring procedures.
- As needed, the Contractor will participate in the development of request for proposals and the subsequent selection processes as subject matter expert to procure various program services, such as an investment manager and program administrator.
- The Contractor will advise the Board or its designee on which data should be reported quarterly by the program and/or investment manager(s).
- The Contractor will review and analyze the investment performance of the program and/or investment manager(s) of the Trust using criteria adopted by the Board; the Contractor will periodically perform additional evaluations comparing Program investment performance and fees to the performance of national and/or other state 529A plans.
- The Contractor will conduct monthly monitoring and provide quarterly evaluations of the Trust that compare monthly investment results to appropriate indices and Board policies, including compliance by the program manager(s) to these policies, and provide evaluations to the Board or its designee within 10 business days of receiving the data from the program manager(s).
- The Contractor will provide assistance to the Board in understanding various investment vehicles and the investment market generally. This assistance may include providing training seminars to the Board and its staff, as necessary, on rates of return, investment products, strategies or other fundamental concepts of investing.
- The Contractor will inform the Board or its designee in the event of significant changes in the investment climate or market conditions that could affect Trust investments.
- The Contractor will provide general advice, counsel, and recommendations on a variety of investment related matters regarding the Trust including investment personnel, investment strategy, investment portfolio addition or division, as well as overall investment health of the program and/or investment manager(s), other 529A vendors, and 529A industry issues and trends.
- The Contractor will work with the Board's consultants and program and/or investment manager(s) as needed.
- The Contractor will attend or otherwise participate in all Board meetings unless notified otherwise by the Board.
- The Contractor will be available to consult with Board members and the Executive Director from 8am to 5pm Pacific Time, Monday through Friday.
- The Contractor will respond to the need for telephone consultation within a 24-hour period and be available for meetings with the Board with no greater than 10 days' notice.

Minimum Qualifications

Bidders must certify that they meet the following minimum qualifications:

- Bidder must have been actively providing advice on investment options for at least the last five years. Investment expertise must include knowledge and experience in a wide range of investment vehicles.
- Bidder must have been providing consultation to or on behalf of individuals or governmental agencies that have been investing funds totaling at least \$1 billion.
- Bidder must agree in writing to serve as fiduciary with respect to its work.
- Bidder may not during the term of a contract that may be executed pursuant to this RFP have a contractual or other business relationship with any program management services contractor that provides services for the Trust or any investment manager directing funds in the Program portfolio, either on its own or in partnership, with other entities. Ownership of an ABLE account does not constitute a business relationship for the purposes of this minimum qualification
- Bidder must be qualified to do business in the State of California and must provide either (i) evidence of registration from the California Secretary of State or (ii) certification that no impediments to registration exist.
- Bidder must hold and maintain all licenses and registrations required by applicable federal and state laws for businesses offering investment and municipal advisory services. All such licenses and registrations must be current and in good standing.

Schedule (Key Action Dates)

Date	Action
November 28, 2018	RFP available to Prospective Bidders
December 7, 2018, 4:00 p.m. (PT)	Deadline to Submit any Written Questions
December 14, 2018	Answers to Written Questions Distributed
January 16, 2019, 4:00 p.m. (PT)	Deadline to Submit Proposals
January 17 – February 1, 2019	Evaluation of Proposals
February 4, 2019	Notice of Intent to Award Contract
February 11, 2019	Proposed Contract Award Date
April 1, 2019	Commencement of Contract (pending Board and DGS approval)

Evaluation and Scoring

All proposals will be reviewed by an evaluation committee. The initial review of the proposals will confirm that all information has been submitted in conformity with the requirements of the RFP. The absence of required information will cause a proposal to be deemed nonresponsive and may result in the proposal's disqualification.

Responsive proposals will then be scored according to criteria herein. The scored categories and the corresponding weighting of each scored category is as follows:

Scored Category	Weighting
Background and Personnel Information	30 points
Investment Consulting Experience and Expertise in 529/529A Industry	40 points
Cost	30 points
Total Possible Points	100 points

Attachments

- Attachment #1 – Resolution No. 2018-10