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**FRANKLIN REGIONAL RETIREMENT SYSTEM**  
101 MUNSON STREET, SUITE 108  
GREENFIELD, MASSACHUSETTS 01301-9675

REQUEST FOR PROPOSALS

INVESTMENT CONSULTANT  
FRANKLIN REGIONAL RETIREMENT SYSTEM

The Franklin Regional Retirement System is seeking proposals from qualified firms to provide investment consulting services pertaining to engagement and retention of investment management firms, asset allocation, and performance measurement and evaluation. The purpose of this process shall be to identify that consultant whose expertise will meet the Retirement Board's goals and needs in a cost-efficient manner.

Competitive sealed proposals are invited in accordance with the provisions of Massachusetts General Law, Chapter 32, section 23B. The incumbent investment consultant is anticipated to respond.

The selected firm must have familiarity with, and agree to comply with Massachusetts G.L. Chapter 32, and all applicable investment guidelines administered by the Public Employees Retirement Administration Commission (PERAC), 840 CMR. Also, the selected firm must be willing to complete supplemental disclosures and certification documents required by PERAC.

Proposals are available via written request and may be obtained by sending your request (before the deadline of submittals, which is Friday, May 9, 2025 at 5:00 p.m.) **electronically** to **BOTH email addresses below:**

Kristine Mathis, Executive Director  
[Kristinemathis@frsma.com](mailto:Kristinemathis@frsma.com)

**AND**

[Rfps.frsma@gmail.com](mailto:Rfps.frsma@gmail.com)

The Retirement Board reserves the right to cancel or reject in whole or in part any or all proposals in the best interest of the Retirement System. Any questions pertaining to this Request for Proposal are to be in writing and directed to:

Kristine Mathis, Executive Director  
[kristinemathis@frsma.com](mailto:kristinemathis@frsma.com)

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Telephone questions will not be accepted or acknowledged.

Proposals must be received by MAY 9, 2025 at 5:00 p.m.

## **Introduction**

The Franklin Regional Retirement System (hereinafter, “the System”) was established by the Massachusetts Legislature to provide a defined benefit retirement plan for employees of 39 units in the Franklin County region. Employee benefits and laws governing the System are set forth in Chapter 32 of the Massachusetts General Laws. The System is managed by a five (5) member board consisting of Board Chair, a second member appointed by the Advisory Council, a third and fourth member who are elected members in or retired from service of the System from among their number, and a fifth member chosen by the other four.

As of 12/31/2023, the market value of the pension fund was \$192.3 million. The pension fund’s portfolio currently has 50% of its investments with Massachusetts Pension Reserves Investment Trust Fund (PRIT) Core fund and the remainder is split among small cap, mid cap value, large cap growth, and large cap value investment managers – Aberdeen U.S. Small Cap Equity Fund, LLC, Boston Partners Global Investors, Inc., Fiera Capital, Inc., Loomis Sayles & Company, L.P., Next Century Growth Investors, LLC, and O’Shaughnessy Asset Management.

The System’s membership had 1,279 active members, 583 inactive members, and 718 retired members as of October 31, 2024. Employee contributions range from 7% to 9% of the member’s regular compensation, depending on the date of membership. The System’s Actuarial Value funded ratio as of December 31, 2023 was 75.63%. Employees of member units who are part of the System do not participate in the Social Security System.

## **Proposal Requirements**

By responding to this Request for Proposals, the Investment Consultant represents that it is knowledgeable of and in compliance with the applicable provisions of Chapter 32, §§ 23 and 23B, as amended by Chapter 176 of the Acts of 2011, and with the Investment Regulations promulgated by the Massachusetts Public Employee Retirement Administration Commission (“PERAC”), as set forth in 840 CMR, pursuant to c 7, § 50 and any other laws relating thereto. The Investment Consultant must be a registered investment advisor pursuant to the Investment Advisors Acts of 1940 (15 U.S.C. 80b-1 et seq.).

## **Evaluation Criteria and Rating**

1. Excepting “minor informalities,” proposals for services not addressing or meeting the Minimum Criteria will be considered “Unacceptable” and will be excluded from further evaluation. A “minor informality” is defined as:
  - minor deviations, insignificant mistakes, and matters of form rather than substance of the bid, proposal, or contract document which can be waived or corrected without prejudice to other offerors, potential offerors of the Retirement Board.

2. Rating evaluations shall be established as Highly Advantageous, Advantageous, Not Advantageous, or Unacceptable.
3. Assignment of rating:
  - (a) **“Highly Advantageous”** will be assigned based on:
    - Strength, stability and longevity of the entity
    - Depth of experience and knowledge of the entity and/or individuals with Massachusetts public pension fund investments including all statutory provisions and rules and regulations
    - Length of time the entity and/or individuals have worked as a team or unit
    - Scope of research available to monitor and provide the services required
    - Level of the ability of the firm and/or individuals to provide information updates and clarification of new and pending legislation
    - Depth and completeness of reports
    - Data and reports are presented in a clear and concise format.
    - A firm commitment to attend regular and special meetings of the Board beyond those established by the Minimum Criteria
    - High level of client satisfaction
  - (b) **“Advantageous”** will be assigned to responsive proposals addressing all items and meeting all criteria for each part of the proposal.
  - (c) **“Not Advantageous”** will be assigned for those proposals submitted by entities who have:
    - Minimal experience with Massachusetts public pension funds and agencies
    - Minimal experience with Chapter 32 and PERAC regulations
    - Minimal experience as a working team or unit
  - (d) **“Unacceptable”** will be assigned for proposals that materially fail to meet or address the items enumerated in this request, or proposals that fail to include required documentation.

Proposals containing “optional” services will not be given a higher rating.

**Important note: To avoid an “unacceptable” rating for failure to address any item of the Request for Proposals, e.g., an item is not applicable to the entity; an explanation of such should be stated in the response.**

### **Mandatory Contractual Terms and Conditions**

MGL c32, §23B defines the mandatory contract provisions for the procurement of investment related services for Massachusetts Public Retirement Systems.

The following mandatory contractual terms and conditions must be incorporated into the final written contract between the Franklin Regional Retirement System and the selected contractor:

- The contract shall not exceed a term of seven (7) years, including any renewal, extension or option;
- The contractor is a fiduciary with respect to the funds which the contractor advises or invests on behalf of the System;
- The contractor shall not be indemnified by the System;
- The contractor is required to annually inform PERAC and the System of any arrangements in oral or in writing, for compensation or other benefit received or expected to be received by the contractor or a related person from others in relation to the contractor's services to the System or any other client;
- The contractor is required to annually disclose to PERAC and the System compensation, in whatever form, paid or expected to be paid, directly or indirectly, by the contractor or a related person to others in relation to the contractor's services to the System or any other client;
- The contractor is required to annually disclose to the System and PERAC in writing any conflict of interest the contractor may have that could reasonably be expected to impair the contractor's ability to render unbiased and objective services to the System.

In addition to the foregoing mandatory terms, any contract or agreement by and between the System and its Investment Consultant must contain a termination clause by which the contract may be terminated by 30 days written notice of either party to the other.

### **Documents to be Submitted**

Your response must be submitted in the following format:

1. One (1) complete package electronically
2. Each package must include:
  - Proposed Investment Consulting Services Agreement with mandatory terms
  - Two sets of **Completed and Signed Originals** of the following forms:
    - i. Vendor Certification
    - ii. New Vendor Disclosures
  - Failure to submit completed Vendor Certification and New Vendor Disclosures may result in a rating of "Unacceptable" and rejection of proposal.

The PERAC forms are enclosed with the RFP package. Forms are available on PERAC's website by accessing the following link:

<http://www.mass.gov/perac/Investunit/forms.htm>

## **Submission Requirements**

Each email must clearly state whether it is a “PROPOSAL FOR SERVICES” or a “PROPOSAL FOR PRICING”. ANY EMAIL NOT CLEARLY IDENTIFIED WILL BE REJECTED.

1. Please submit your proposal **electronically** to **BOTH email addresses below:**

Kristine Mathis, Executive Director  
[Kristinemathis@frsma.com](mailto:Kristinemathis@frsma.com)

### **AND**

[Rfp.frsma@gmail.com](mailto:Rfp.frsma@gmail.com)

2. Your proposal should be no more than 20 pages long, excluding resumes and the requested sample Client Report (1 copy only). Proposals must be submitted and received by 5:00 P.M. on Friday, May 9, 2025. Proposals may not be transmitted by fax or regular mail.
3. If you have any questions regarding this Request for Proposal, please submit all questions electronically to **BOTH email addresses as follows:** Kristine Mathis at [kristinemathis@frsma.com](mailto:kristinemathis@frsma.com) and Ashley Manley at [ashleymanley@frsma.com](mailto:ashleymanley@frsma.com).
4. The Board reserves the right to seek additional information from, and to schedule interviews with, any and all respondents. Finalists should anticipate being interviewed in the month of June 25, 2025 and/or July 30, 2025 by the Board. If additional interviews are required, which cannot be performed on that date, the Board will arrange for additional date(s) for interviews.
5. A bidder may correct, modify or withdraw a proposal by written notice to the Board prior to the time and date set for the opening of proposals. The Retirement Board reserves the right to cancel or reject in whole or part any or all proposals in the best interest of the retirement system. The Board reserves the right to seek additional information relating to any and all proposals, to waive any minor non-compliance or non-conformity with the Request for Proposal, and to enter into any agreement in the best interest of the Retirement System.

## **General Information**

### **Opening of Proposal Emails: Monday, May 12, 2025**

Emailed proposals will be opened by the Procurement Officer designated by the Board, in front of at least one witness. A register of proposals will be maintained for public inspection.

### **Expected Timing of Award:**

The Board expects to make an award within 60 days of the due date of the RFP; the timing of the award of the contract may be extended at the Board's discretion.

## **Proposal**

Please provide the following information about your entity. The Board does not require a specific format but requires respondents to include the following areas in its proposal. Please limit your response to a maximum of twenty (20) pages not including personnel biographies/resumes or a copy of your performance report.

### **I. Background**

- Please provide a brief history of the entity.
- Please identify the location of the headquarters and branch offices.
- Please provide a description of the ownership structure of the entity and number of employees.
- Please identify any financial relationships or affiliations with other entities (insurance company, brokerage firm, commercial bank, investment banking firm, etc.)
- Please list experience in providing investment consulting services to public pension plans.
- Please list the services provided to clients in a full-service consulting relationship. Indicate any services which may be considered the entity's areas of greatest expertise.
- Please identify the entity's future goals, particularly how such goals may pertain to accepting new client business and the overall quality of client service.

- Please provide a list of public fund clients and any private clients who have authorized such a disclosure. If you have private clients who do not wish to be identified, please disclose how many such clients to which your firm provides services.
- Has the firm or any member or professional employee ever been convicted of any crime described in Section 411 (A) of ERISA, fined, suspended, or censored by the Securities and Exchange Commission or any securities self-regulatory organization or named as defendant in any litigation involving charges of violation of ERISA?
- Please submit the firm's ADV form, Part II.
- Would the awarding of the contract of the firm result in a violation by the Board of PERAC Rules & Regulations 840 CMR 1:03?

## **II. Operations**

- Please indicate whether your accounts are serviced by teams or by individual consultants.
- Please indicate the average number and size of accounts per team or consultant.
- Please indicate the largest number of accounts handled by one team or consultant.
- Please describe the entity's ability to do prompt, comprehensive and accurate reporting.
- Please indicate the percentage of revenues derived from consulting services. List other services or products which are offered. Indicate whether the entity or an affiliate manages money for clients.
- Please explain in detail any potential or actual conflict of interest (or appearance of a conflict of interest) which may arise if the entity is selected to advise the Board. Include other client relationships which may inhibit or enhance services to the Board.
- Please describe any circumstances under which the entity or its employees receive fees from investment managers.
- Please indicate whether the entity sells or brokers investment vehicles.
- Please indicate whether the entity actively manages the investment of accounts.
- Please indicate whether the entity accepts or pays referral or finder's fees.

- Please give details on the number, name(s) and asset values of any client relationships that were terminated or not renewed in the last three years with reasons for the termination or non-renewal.

### **III. Investment Analysis Approach**

- Please outline the entity's process for:
  - The development of the client's overall investment policy as well as investment policy for specific asset classes.
  - The development of client investment objectives.
- Please describe the entity's asset/liability modeling capability.
- Please define the entity's investment style analysis.
- Please provide a list of reports routinely supplied to clients.
- Please indicate whether the entity provides its clients with written narratives on the manager's performance, portfolio restructuring, guideline discrepancies, style deviations, etc.

### **IV. Manager Search and Due Diligence.**

- Please indicate the number of money managers currently being evaluated.
- Please describe the criteria by which the entity decides which managers to evaluate.
- Please describe the selection of the database of managers for performance comparison. Please indicate whether managers pay a fee to be in the database. Indicate the number of managers in the database.
- Please describe how the due diligence of investment managers is performed.
- Please describe your criteria for hiring as well as terminating investment managers.



## **V. Miscellaneous.**

- Please indicate any special knowledge of the investment or funding issues affecting Massachusetts Public Retirement Systems.
- Please list any services or attributes not mentioned in this Request for Proposals which the Board should consider.
- Please provide three (3) client references, including the names, addresses and telephone numbers of contact persons.
- Please provide the names and asset values of any clients who have terminated services in the last three years.
- Please provide **ONE (1) COPY** of a Client Report which is representative of the reports customarily supplied to clients.

## **VI. Fee Structure**

- Proposals for pricing must be sealed and separately submitted from the proposal for services and must include a copy of the PERAC Vendor Certification.
- In as much detail as possible, please describe your proposed fee structure for your services to the Board.

## **VII. Specific Board Issues**

- Please identify and provide credentials of those consultants who would be assigned to the account. The Lead Consultant should be prepared to attend a Board interview.
- Please provide a description of the current account load of the consultants to be assigned to the account.
- Please describe in detail the type of information you expect to be receiving from the Board's staff, its investment managers and custodian.

### **VIII. Conflicts of Interest**

- Are there any potential conflict of interest issues your firm would have in servicing the Board? If so, describe them.
- How does your firm identify and manage conflicts of interest?
- Does your firm hold or sponsor money manager or client conferences? Please describe all conferences your firm has held or sponsored in the past two years.
- Have you or anyone in your firm provided any gifts, travel and room expenses, entertainment or meals to any Board member or staff during the past 12 months? If yes, please describe the amount of expenses and what it was for.
- Are there any circumstances under which your firm or any individual in your firm receives compensation, finder's fees, or any other benefit from investment managers or third parties? If yes, please describe them in detail.