

**MIDLAND FIREMEN'S RELIEF AND RETIREMENT FUND**

*Proposals will be accepted until 5:00 P.M., May 5<sup>th</sup>, 2023*

**REQUEST FOR PROPOSALS  
FOR  
GENERAL INVESTMENT CONSULTING SERVICES**

*Issuer:*

**Midland Firemen's Relief and Retirement Fund  
105 North G, Suite 201  
Midland, Texas 79701**

Shera S. Crow  
Administrator  
April 17, 2023

**MIDLAND FIREMEN’S RELIEF AND RETIREMENT FUND  
GENERAL INVESTMENT CONSULTING SERVICES**

**Table of Contents**

<b>I. INVITATION TO SUBMIT A PROPOSAL.....</b>	<b>3</b>
<b>II. PENSION FUND’S BACKGROUND AND GENERAL INFORMATION.....</b>	<b>3</b>
<b>III. TENTATIVE TIMETABLE.....</b>	<b>4</b>
<b>IV. QUESTION AND CORRESPONDENCE.....</b>	<b>4</b>
<b>V. SCOPE OF SERVICES REQUIRED.....</b>	<b>5</b>
A. Policy.....	5
B. Asset Allocation and Portfolio Design.....	5
C. Investment Manager Oversight.....	5
D. Performance Measurement and Reporting.....	6
E. Education and Client Services.....	6
F. Other Services.....	6
<b>VI. PROPOSAL ORGANIZATION AND SUBMISSION PROCEDURES.....</b>	<b>7</b>
A. Organization of Responses.....	7
B. RFP Response Submission.....	7
<b>VII. MINIMUM QUALIFICATIONS AND CERTIFICATION.....</b>	<b>8</b>
<b>VIII. TECHNICAL PROPOSAL REQUIREMENTS.....</b>	<b>8</b>
A. Firm’s Background and History.....	8
B. Assets Advised.....	11
C. Investment Consulting Philosophy and Process.....	12
D. Performance Measurement and Reporting.....	12
E. Research.....	13
F. Manager Searches and Evaluation.....	13
G. Other Information.....	14
H. Fee Proposal.....	15
<b>IX. INSURANCE REQUIREMENTS.....</b>	<b>15</b>
<b>X. PROPOSAL EVALUATION CRITERIA.....</b>	<b>16</b>
ATTACHMENT A Portfolio Details @ December 31, 2022... ..	17
ATTACHMENT B Minimum Requirements Certification.....	18
ATTACHMENT C Conflict of Interest Questionnaire.....	20
ATTACHMENT D Fee Proposal.....	21
ATTACHMENT E Submission Checklist.....	21

## I. INVITATION TO SUBMIT A PROPOSAL

The Midland Firemen’s Relief and Retirement Fund (‘MFRRF’ or the “Pension Fund”) is soliciting proposals from qualified professional investment consulting firms to assist the MFRRF with strategic investment planning; investment manager due diligence; research and recommendations; market research; portfolio monitoring, performance measurement; asset allocation, risk management and compliance reporting.

MFRRF is soliciting proposals for general investment consulting services. **General Investment Consulting Services** includes but is not limited to services on the aggregate portfolio (**excluding private equity funds**), publicly traded investment searches; investment policy and benchmarking; asset allocation; performance reporting and compliance monitoring; and periodic asset/liability studies (see V. below for description of full consulting services required).

## II. PENSION FUND’S BACKGROUND AND GENERAL INFORMATION

The Midland Firemen’s Relief and Retirement Fund is a single-employer public employee retirement plan established and administered by the Board of Trustees in accordance with the authority granted by Article 6243e of Vernon’s Texas Civil Statutes. The MFRRF is a fiduciary fund for firefighters and staff employed by MFRRF and the City of Midland, Texas. The plan provides retirement, disability, and death benefit protection to its firefighters, members and their beneficiaries, and retirement benefits to the Pension Fund’s staff. A member’s pension benefit is based on a predetermined formula measured by salary and service credit. Currently there are 197 retired members/beneficiaries, 226 active members of the fire plan. Additionally, there is one active member of the Pension Fund’s staff.

The MFRRF is administered by a seven-member Board of Trustees (the “Board”), which includes the Mayor, the Finance Director, three elected active Firefighters, and two appointed Citizen Trustees. The Board of Trustees formulates administrative policies and procedures, authorizes benefit payments to members and manages and oversees the investment of trust funds.

The MFRRF Board of Trustees meets monthly. Outside consultants are utilized for particular investment expertise and are retained to assist the MFRRF Investment Committee and Staff in the areas of establishing strategy, policy, and guidelines; portfolio construction and needs assessment; manager searches, due diligence, research, and monitoring; client support including recommendations, reporting, education, and attendance at meetings.

Regarding portfolio management, Weaver serves as the Pension Fund’s independent auditor.

All of the MFRRF assets are currently managed by outside investment management firms, as described above, with no assets being managed internally. Information regarding the MFRRF plan allocation and investment performance is contained on the Pension Fund’s website at [www.MidlandFRRF.com](http://www.MidlandFRRF.com).

### III. TENTATIVE TIMETABLE

The following is the tentative time schedule applicable to this RFP. All dates are subject to modification by the MFRRF.

<b>April 17, 2023</b>	RFP released
<b>April 28, 2023</b>	Question Deadline
<b>May 5, 2023</b>	Proposal Due Date/Deadline
<b>May 24, 2023</b>	Determination of semi-finalists by RFP Committee
<b>May 24, 2023</b>	Conduct Semi-finalist interviews by RFP Committee
<b>May 24, 2023</b>	Due diligence visits by RFP Committee
<b>May 25, 2023</b>	Recommendation by RFP Committee to Board and Selection of Consultant by the full Board of Trustees

**MFRRF reserves the right to change the dates in the schedule of events without notice.**

### IV. QUESTIONS AND CORRESPONDENCE

Direct all questions and correspondence regarding this RFP IN WRITING ONLY to:

**Shera S. Crow, Administrator**  
**Midland Firemen’s Relief and Retirement Fund**  
**105 North G, Suite 201**  
**Midland, Texas 79701**  
**Phone: 432-704-5575**  
**scrow@mfrf.com**

Only written questions submitted by **April 28, 2023** will be accepted. All written inquiries and answers will be provided to all parties that have expressed an interest in responding to this Request for Proposal (RFP). Only written responses will be considered by the MFRRF.

Commencing on April 28, 2023, firms that intend on submitting a Proposal should not contact of any the MFRRF Staff or Trustee, other than to submit written questions to Shera S. Crow, Administrator. An exception to this rule applies to firms that currently do business with the MFRRF, but any contact made by such firms should be limited to ongoing business and should not relate to this RFP. Any attempt by a potential Proposer to initiate contact with any member of the Ad Hoc Committee members (proposal evaluation team), the MFRRF Board, or the MFRRF Staff other than the contact designated above, may be disqualified from further consideration.

No Proposer shall issue a news release regarding any aspect of this RFP without prior written approval from the MFRRF’s Administrator.

## V. SCOPE OF SERVICES REQUIRED

The Midland Firemen's Relief and Retirement Fund is seeking an investment consulting firm to provide general investment consulting and related support services for the period July 1, 2023 through June 30, 2026, with two optional years.

The MFRRF's General Investment Consultant serves the Board and the Pension Fund's Investment Committee and works closely with the staff. The selected investment consultant should provide independent, objective and creative input to assist the Board in fulfilling its fiduciary responsibility as to the investing of the MFRRF's assets, to maintain or exceed performance history and future benchmarks or goals, and to report and provide analysis.

The General Investment Consultant is expected to attend four (quarterly) Board meetings per year in Midland, Texas and one off-site Board retreat per year. The successful respondent will also be asked to accompany Board members and staff on due diligence and other investment-related trips per policy and on an as needed basis.

See **ATTACHMENT A** for a recap of the Pension Fund's portfolio as of **December 31, 2022**. Also, for greater details on the Pension Fund's portfolio and performance history, see the Pension Fund's website at [MidlandFRRF.com](http://MidlandFRRF.com).

The selected consulting firm is expected to provide the following services:

### A. Policy

- Provide recommendations concerning long-term investment policy and investment objectives and strategy.
- Provide annual policy review.
- Provide recommendations regarding investment guidelines on specific mandates.
- Provide recommendations concerning risk management strategies.
- Provide recommendations regarding policy benchmarks.
- Advise on rebalancing policies.

### B. Asset Allocation and Portfolio Design

- Conduct an annual asset allocation review.
- Conduct a study at least every 4 to 5 years or sooner as circumstances may warrant.
- Conduct structure studies at least every year.
- Provide asset class research, analysis and recommendations.

### C. Investment Manager Oversight

- Provide ongoing monitoring of institutional investment managers; compliance and performance.
- Provide research and analysis of the MFRRF's investment managers.
- Provide investment manager evaluation services and recommendations.
- Provide onsite manager due diligence for investment searches.
- Provide recommendations concerning investment manager allocation and structure, manager investment guidelines and benchmark identification.

- Provide investment manager fee negotiation services, as needed.
- Provide recommendations for investment manager transitions, as needed.

It should be noted that the Board of Trustees retains its discretion in choosing investment managers using its due diligence process, located in the Fund's Statement of Investment Policy, to determine who is best suited to fill the asset allocation role. When choosing a new investment manager, the general consultant may be asked to include a manager(s), which a trustee has deemed a viable candidate. The Trustees' proposed managers shall be compared with the consultant's proposed manager selections without prejudice.

#### **D. Performance Measurement and Reporting**

- Evaluate total portfolio investment performance to custom policy benchmark.
- Evaluate investment manager performance to policy benchmarks and appropriate peer groups.
- Provide quarterly performance measurement reporting.
- Provide quarterly performance review and commentary to the Board.
- Provide manager fee analysis versus peers.
- Provide annual evaluation and attribution analysis.
- Provide benchmark evaluation, implementation and analysis.
- Provide review of portfolio risk.

#### **E. Education and Client Services**

- Attend Board meetings and any other meetings as necessary. Board meetings are normally on the last Thursday of each month considering holidays and other meeting conflicts. A calendar of meetings is provided at the beginning of each fiscal year. The Fund's fiscal year runs from January 1 through December 31.
- Provide investment education to staff and the Board as appropriate.
- Develop educational materials.
- Provide assistance on special projects as needed.
- Communicate regularly with staff about workflow and any other operational issues between meetings.
- Respond to inquiries in an appropriate and timely manner.
- Share all firm research, including white papers, and provide access to research staff.
- Make no changes in the assigned consultant team without the explicit approval of the MFRRF.
- Promptly notify the staff in writing in the event of any investigation commenced or lawsuit filed against the consultant or in the event of proposed changes in the assigned consultant team or changes in the consultant's senior management.

#### **F. Other Services**

- Provide access to analytical software and tools.
- Provide recommendations concerning securities lending strategies.
- Provide compliance monitoring of the securities lending program.
- Provide recommendations concerning custodial banking arrangements.
- Provide feedback and input to the external auditor as needed.

## VI. PROPOSAL ORGANIZATION AND SUBMISSION PROCEDURES

### A. Organization of Responses (General Investment Consultant Firm's Proposal)

To simplify the review process and enable the maximum degree of comparison, the responses to this RFP should be organized specifically in the following manner:

1. A dated title page indicating the RFP subject, the firm's name, address, phone number, the name, title and contact phone number and email address for the individual who will be authorized to represent and, if necessary, negotiate on behalf of the investment consulting firm. Please include the address of the office that will service this account.
2. The name, title or position, email, and telephone number of the primary contact and/or account administrator, if different from the individual indicated on the title page referenced in #1 above.
3. Table of Contents, which includes a clear identification of the material by section and by page number.
4. Transmittal Letter or Executive Summary, which briefly states that your firm understands the work to be completed and a positive binding commitment to perform the work within the required time period, if your firm is selected to perform the outlined services. It will also state that the response to the RFP is a firm and irrevocable offer good through June, 2023 or as may later be extended by written agreement.
5. **Detailed Responses that follow the order set forth in ATTACHMENT E.**
6. **Nonconformance with these submission requirements may result in rejection of the proposal.**

### B. RFP Response Submission

The proposing firm shall submit an electronic version plus an unbound copy of the written proposal in a sealed package labeled "Proposal for General Investment Consulting Services" bearing the name and address of the Proposer (or bidder) and signed by an authorized official.

The hard copy submission shall be sent to: **Shera S. Crow, Administrator**  
**MFRRF**  
**105 North G, Suite 201**  
**Midland, Texas 79701**  
[scrow@mfrf.com](mailto:scrow@mfrf.com)

Proposals must be received on or before **May 5, 2023 at 5 P.M.** Failure to meet the due date/deadline may result in a rejection of the proposal.

All proposals submitted become the property of the MFRRF and will not be returned. Any information that the proposer includes in its proposal that it considers proprietary or confidential must be marked as such. Such marking, however, is not determinative as to whether the information is considered confidential under Texas law.

All proposals shall be considered valid for acceptance through **June 20, 2023**, or until awarded, whichever is sooner.

## **VII. MINIMUM QUALIFICATIONS AND CERTIFICATION**

**Minimum Qualifications** (The Proposer must meet all of the following minimum qualifications and timely submit all required information to be given further consideration)

1. At least three (3) current general investment consulting U.S. tax-exempt clients each with total defined benefit plan assets of at least \$50 million as of December 31, 2022.
2. At least five (5) years of experience providing investment consulting services to U.S. tax-exempt clients as of December 31, 2022.
3. The individual(s) assigned to the MFRRF account as the primary consultant must have a minimum of five (5) years of experience in the public defined benefit pension fund area.
4. Agree to act as fiduciary to the Midland Firemen’s Relief and Retirement Fund.
5. Agree that a contract with the MFRRF will be governed by and construed in accordance with the laws of the State of Texas, and to be subject to the laws of the State of Texas with jurisdiction for any legal action to be brought in federal or state court of appropriate jurisdiction in the State of Texas, Midland County.
6. Currently a member of the Texas Association of Public Employee Retirement Systems (TEXPERS) or providing investment consulting services to at least one Texas public pension fund (i.e., one Texas client).
7. Currently registered as an investment adviser with the Securities and Exchange Commission.
8. Certify that any information obtained from the Pension Fund will not be reproduced, sold, distributed, published or made available to any person or entity except as necessary to perform the services required by this RFP or by applicable law.

## **VIII. TECHNICAL PROPOSAL REQUIREMENTS**

Please be as clear, accurate, and complete as possible in your responses. To facilitate an efficient review and evaluation process, each response should be no more than five hundred (500) words in length. Providing misleading data may lead to disqualification of the proposal and elimination of the firm from the search process. For comparability’s sake, follow the organizational requirements as noted in VI. above and **ATTACHMENT E**. Label your responses accordingly.

### **A. Firm’s Background and History**

1. Please provide a brief history of the firm including the year organized, the year the firm began providing investment consulting services to U.S. tax-exempt defined benefit clients.
2. Please provide details of the firm’s ownership (including any changes in the last five years) and specific details with regard to any affiliated companies or joint ventures.



3. Does your organization receive revenue from investment management firms? Revenues within this request would include, among others, strategic consulting fees, conference fees, education fees, or fees from research including databases. Please identify the percentage of the firm's total revenues that is received from investment management firms; in both soft and hard dollars.
4. Provide a breakdown of revenue by line of business in the table below. If your firm is an affiliate or subsidiary of an organization, state the percent of the parent firm's total revenue generated by your firm:

	% of Firm-wide Revenue in last fiscal year	# of Clients
Revenue from general investment consulting		
Revenue from discretionary consulting		
Revenue from asset class specialty consulting		
Revenue from investment management		
Revenue from risk services		
Other revenue sources (specify)		
Total	100%	

5. Please provide an organization chart and list the total number of firm professionals, broken down by consultants, research professionals, and staff.
6. Please provide the location and function of each of your firm's offices, including the number of professionals at each office and what services are provided by each office.
7. Please indicate which office would service the MFRRF account, the names of the team members who would be assigned to this account and their contact information. Attach as **Exhibit A** biographies for these team members.
8. Complete the following table as it pertains to the team who would be assigned to this account:

Investment professionals assigned to team	# years general and/or private asset investment consulting experience:	# years tenure with your firm:	# of years consulting professionals have worked together as a team:

9. Please provide details on the financial condition of your firm. Most recent reports filed (for the most recent two years) with the SEC will be acceptable, but any recent material changes should be included.

10. Are you registered with the SEC or a state securities regulator as an investment adviser?  
If so, provide as **Exhibit B** all disclosures required under those laws in the past two years (including Part I and II of Form ADV).
11. Has your firm ever been censured or fined by the SEC or any regulatory body? If so, please describe.
12. Has your firm been subject to or is currently being reviewed/audited by the SEC or other regulatory agencies? If yes, please describe the nature of the investigation including any findings or recommendations.
13. Over the last five (5) years has the firm, the primary consultant being proposed for the MFRRF account, or any principal or officer of the firm been involved in any business litigation, regulatory, or other legal proceedings or government investigation involving allegations of fraud, negligence, criminal activity or breach of fiduciary duty? If so, please describe.
14. Will your firm acknowledge fiduciary status and accept fiduciary responsibility for recommendations to the MFRRF?
15. State whether or not your employees comply with the Code of Ethics and Standards of Professional Conduct of the CFA Institute. If not, does your firm maintain a Code of Ethics? Attach as **Exhibit C** a copy of the firm's Code of Ethics.
16. Please disclose the nature of any relationship you now have or have had in the past five years with any the MFRRF Board member, staff member or investment manager.
17. List the dollar amounts of fiduciary liability insurance, errors and omissions insurance and bonding insurance carried by your firm, as follows:

Insurance carrier providing coverage	Type of coverage	Dollar amount

18. Please discuss the overall business objectives of your firm with respect to future growth. Comment on any present or planned areas of emphasis over the near future. Be sure to include in your response:
  - a. Total assets or client relationships that will be accepted.
  - b. Maximum limits on asset amounts or number of clients per consultant.
  - c. Plans to develop and expand resources, merge or acquire other firms, spin off subsidiaries.

19. Complete the following table regarding consulting staff who left or joined your firm within the last three (3) years. Include anticipated personnel changes for the next year.

Name and title	Date terminated or hired	Reason
Left:		
Joined:		

20. Briefly describe your firm's compensation system for principal staff, and indicate what specific incentives are utilized to ensure key professionals do not leave the firm either as a group or individually. How does the firm tie client performance and satisfaction to a consultant's performance?

21. Describe your firm's disaster preparedness and recovery plan.

## B. Assets Advised

1. Complete the following table by providing the number of clients, assets under advisement for the firm's full-service retainer investment consulting relationships and the number of clients that have renewed their contract with your firm over each of the last three years.

Please provide the data as of December 31<sup>st</sup> for all years.

	2022	2021	2020
Number of clients			
Assets under advisement			
Number of clients to renew contract			

2. Provide as **Exhibit D** a table listing the firm's current (12/31/22) investment consulting clients along with the following information:
- Name/Type of client (public plan, corporate plan, endowment, etc.)
  - Total size of each relationship
  - Assets on which you provide consulting services, by asset type and \$
  - Length of service of the relationship
  - One sentence description of the type of services you provide for each client
  - Nature of the relationship (retainer or project-based)
3. Please list all clients your firm has gained in the last three (3) years and the clients who have terminated your services during that time. For those who have terminated your service, please indicate the reason for terminating service.
4. Please provide as **Exhibit E** the name, address, telephone number and contact person for three (3) current clients to serve as references for your firm, preferably public pension plans. Please detail name, primary contact, telephone number, email address, asset values, number of years the client has retained the firm and the product(s) or service(s) the client uses.

### **C. Investment Consulting Philosophy and Process**

1. Briefly describe your firm's philosophy with respect to investment consulting engagements, and the nature of the service that you provide. What key strengths and competitive advantages does the firm possess that generate superior performance and service for your clients?
2. Describe your firm's experience in developing and reviewing investment policies and strategies for clients.
3. How frequently does the firm recommend reviewing asset allocation, asset/liability reviews, and manager structure reviews, and describe your firm's methodology. Please provide samples of an Asset Allocation Review and Asset/Liability Study as **Exhibit F**.
4. Provide your firm's most recent five (5) years of capital market assumptions (projected returns, volatilities, and correlations) in table format as **Exhibit G**.
5. What is the process your firm goes through to develop your capital market assumptions?
6. What is the range of target allocations that you are currently recommending to your public fund clients?
7. Describe your firm's views on the use of active and passive strategies.
8. Describe your firm's views on liquidity and what you recommend for a diversified public pension plan.
9. How does your firm assess risk in client's portfolios? What are the appropriate metrics to review?
10. In your view, how should a client measure its investment consulting firm's performance? How does your firm measure its own performance?
11. Describe your firm's views on the structure of equity portfolios.
12. Describe your firm's views on performance-based fees.
13. Does your firm assist in fee negotiations with asset managers?

### **D. Performance Measurement and Reporting**

1. How does your firm monitor and analyze investment performance? Please describe any databases used by your firm. How do you determine appropriate benchmarks?
2. Please provide a sample performance report as **Exhibit H**.
3. Can the performance reports be customized? Are there charges for additional information requests?
4. What is the anticipated turnaround time to produce a performance report?
5. Describe how your firm obtains data from the client's Custodian. How does your firm verify the accuracy of the data received from the Custodian?

6. Describe the process and data needed to input historical Fund performance into your firm's system?
7. What is your firm's process for manager return reconciliation? How will discrepancies be handled?
8. What process does your firm use to monitor and communicate performance issues to investment managers?
9. Is your firm prepared to generate a report containing attribution analysis at the total fund, asset class, and investment manager level of MFRRF's actual holdings, not composite?
10. Please describe your firm's risk management philosophy. How does your firm define risk(s)? What are the biggest risks your firm sees as it relates to public pension plans?
11. Please describe your firm's risk analytic platform and how clients are able to access and utilize the risk data and resources.
12. What does your firm view as the most relevant focus of evaluation when analyzing total fund performance?

#### **E. Research**

1. Provide a listing of research generated during 2021 and 2022 with **Exhibit I**.
2. List notable publications that have included your firm's research.
3. Does your firm prepare white papers on relevant investment topics? Please provide a sample as **Exhibit I**.
4. Describe in detail the type and frequency of research that would be available to the MFRRF.  
Through what media is it available? Does the firm make available research reports other than those specifically requested by the client? If so, please describe.
5. What research and analytical resources (including databases) does your firm possess?
6. Provide a sample of your firm's annual outlook, including attractive themes and "best ideas" with **Exhibit I**.

#### **F. Manager Searches and Evaluation**

1. Describe in detail your manager database and search process. Include the criteria used to make manager recommendations.
2. Describe your approach to working with client staff on investment manager searches, due diligence and final manager selection.
3. Describe the process and how new investment managers are added to your database.
4. Please provide a sample of investment manager research or due diligence reports as **Exhibit J**.

5. How often are on-site due diligence visits conducted, on average, with your client's managers?
6. Provide as **Exhibit K** a sample of a "finals" report, or process memo, for a recently completed public markets search.
7. What metrics are used to identify watch-list worthy managers? What process is employed to make specific investment hiring or firing recommendations to your clients?
8. Do you monitor your success in selecting managers? Explain how you measure the level of success of existing managers.

#### **G. Other Information**

1. Describe your firm's capabilities in providing educational opportunities for trustees and staff. Does your firm hold an annual investment conference for its clients? If so, describe.
2. Describe your firm's experience and ability to support client requirements relating to securities lending and custodial services.
3. Describe your custodial bank search process. Please include details such as criteria used for evaluating and ranking custodians.
4. Does your firm maintain an in-house database of custodial banks? How many banks are contained in the database? How often are custodial banks in the database reviewed?
5. Describe your transition manager search process. Please include details such as criteria used for evaluating and ranking transition managers.
6. Being effective at educating Board Trustees about new investment opportunities, products, and risk can be challenging. If your firm believed that adding a new investment idea would be beneficial to the portfolio, how would you approach getting the Board sufficiently comfortable with the investment recommendation?
7. Does your firm provide a web portal/access for clients? Please describe what functions are available via your portal including performance reporting, manager diligence, risk analytics, portfolio modeling, and exposure reporting.

#### **H. Fee Proposal**

**(See Attachment C for a fee template and include in your response as Exhibit L)**

1. Fees for the services related to the annual investment consultant should be quoted on a fixed-fee, all-inclusive basis, including travel, lodging, meals, and other out-of-pocket expenses. Include in the quote expenses for at least the four (4) Board of Trustee/Investment Committee quarterly meetings in Midland, Texas.
2. List other services that would be billable to MFRRF in addition to the above.
3. Quote billing rates to be charged for each category of personnel.

4. Describe any other services or special projects you typically perform for public defined benefit pension fund clients, and list the fees charged for these services or projects.
5. Are you willing to guarantee your fees for a specific period of time? If so, please explain and disclose any soft dollar arrangements.

**IX. INSURANCE REQUIREMENTS**

The selected firm shall provide evidence of Professional Liability insurance with contractual liability coverage covering the Proposer’s liability arising from errors and omissions made directly or indirectly during the duration of the contract. The selected firm shall provide coverage for the total limits actually arranged by the selected firm but not less than \$5 million combined single limit.

The selected firm shall maintain a Fidelity Bond covering employee dishonesty, in an amount arranged by the selected firm, but not less than \$3 million, per occurrence. In addition, the selected firm shall maintain workers’ compensation coverage.

The selected firm shall provide evidence of and maintain coverage for each of the following:

Professional Liability	≥ \$5,000,000
Commercial General Liability	
Blanket and Personal Injury	≥ \$1,000,00 per occurrence &
	≥ \$2,000,000 annual aggregate
Workers' Compensation	≥ \$1,000,000 per accident

**X. PROPOSAL EVALUATION CRITERIA**

The MFRRF will determine the specific methodology and criteria by which submitted proposals will be evaluated. Selection of finalists and the determination of compliance with the minimum qualifications is solely and exclusively within the judgment of the MFRRF and may be made solely on the basis of the MFRRF’s evaluation of a candidate’s suitability.

The following is a summary of the general considerations that may be used to determine the firms that will be selected as finalists:

MFRRF reserves the right to request additional information and reserves the right to accept or reject any or all parts of a proposal, to waive any formalities and technicalities and to accept the proposal that is considered to be in the best interest of the Fund.

- Organization of submitted responses as described in VI, VII and VIII above
- Understanding of the MFRRF, the MFRRF Investment Policy Statement (IPS), and the thematic asset allocation
- Independence, objectivity, and innovation in approach to investment advising
- Organizational stability, depth of resources, and client-relevant experience
- Analytical tools, manager research, and client-accessible technology
- Performance and risk reporting

- Proposed Consultant Team
- Client and industry feedback
- Fee Schedule

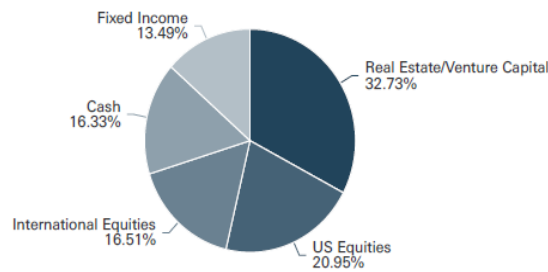
Fees will be an important factor in the evaluation of investment consulting proposals. However, the MFRRF is not required to choose the lowest cost bidder. The MFRRF will select the firm that, in the Board's sole discretion, best serves the overall needs of the plan participants and beneficiaries.



## ATTACHMENT A

### PORTFOLIO DETAILS @ DECEMBER 31, 2022

#### Asset Allocation



■ Real Estate/Venture Capital ■ US Equities ■ International Equities ■ Cash ■ Fixed Income

	% OF PORTFOLIO	SEP 30, 2022	DEC 31, 2022	CHANGE IN VALUE	CHANGE IN VALUE %
US Equities	20.95%	\$16,356,695	\$17,654,078	\$1,297,383	7.93%
International Equities	16.51%	\$12,571,941	\$13,912,023	\$1,340,081	10.66%
Real Estate/Venture Capital	32.73%	\$27,276,679	\$27,578,900	\$302,222	1.11%
Fixed Income	13.49%	\$11,099,766	\$11,365,968	\$266,203	2.40%
Cash	16.33%	\$14,415,773	\$13,757,024	(\$658,749)	(4.57%)
<b>Total</b>	<b>100.00%</b>	<b>\$81,720,854</b>	<b>\$84,267,993</b>	<b>\$2,547,139</b>	<b>3.12%</b>

*Note: Real Estate/Venture Capital - Valuations are 6/30/22, 9/30/22 & 12/31/2022 plus contributions & distributions as of February 28, 2023*

See the Midland Firemen’s Relief and Retirement Fund website at [www.midlandfrf.com](http://www.midlandfrf.com) for additional portfolio details.

**ATTACHMENT B**

**MINIMUM REQUIREMENTS CERTIFICATION**

The undersigned Proposer hereby represents and warrants to the MFRRF as follows:

**General Investment Consulting**

1. Proposer currently provides general investment consulting services to at least three (3) public retirement systems defined benefit clients each with assets of at least \$1 billion as of December 31, 2022.
2. Proposer has a minimum of five (5) years of experience providing general investment consulting services to U.S. tax-exempt clients with total defined benefit plan assets of at least \$1 billion as of December 31, 2022.

Name(s) of client(s): \_\_\_\_\_

4. The primary consultant assigned to the MFRRF account has a minimum of five (5) years of experience providing investment consulting services to public defined benefit pension plans.

Name of the primary consultant: \_\_\_\_\_

Number of years of experience in this role: \_\_\_\_\_

5. The Proposer agrees to comply with all applicable Texas laws, and to be subject to the laws of Texas and the jurisdiction of its court system in the administration and interpretation of the contract governing this business relationship.
6. The Proposer is a member of the Texas Association of Public Employee Retirement Systems (TEXPERS) or provides investment consulting services to at least one Texas public pension fund.
7. The Proposer is currently registered as an investment adviser with the Securities and Exchange Commission.
8. The Proposer will serve as a "fiduciary" with respect to the MFRRF.
9. The Proposer certifies that any information obtained from the Pension Fund will not be reproduced, sold, distributed, published or made available to any person or entity except as necessary to perform the services required by this RFP or by applicable law.

PROPOSER'S NAME: \_\_\_\_\_

Signed: \_\_\_\_\_ Date \_\_\_\_\_

**ATTACHMENT C**

**CONFLICT OF INTEREST QUESTIONNAIRE**

Section 176 of Texas law requires a person who contracts or seeks to contract with a local governmental entity to file a questionnaire disclosing the person’s affiliation and business relationship with each member of the governing body and local government officers of the entity. You should review these rules regarding this disclosure to determine whether your organization should complete and include this exhibit with your Proposal. A listing of MFRRF Trustees and Staff can be found on our website at [www.midlandfrf.com](http://www.midlandfrf.com). MFRRF will not be able to give you an opinion as to whether or not you should submit this exhibit

<b>CONFLICT OF INTEREST QUESTIONNAIRE</b>		<b>FORM CIQ</b>
<b>For vendor doing business with local governmental entity</b>		<b>OFFICE USE ONLY</b>
<small>This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session. This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a). By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code. A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.</small>		<small>Date Received</small>
<b>1</b>	<b>Name of vendor who has a business relationship with local governmental entity.</b>  _____	
<b>2</b>	<input type="checkbox"/> <b>Check this box if you are filing an update to a previously filed questionnaire.</b>  <small>(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)</small>	
<b>3</b>	<b>Name of local government officer about whom the information in this section is being disclosed.</b>  _____ Name of Officer  <small>This section (item 3 including subparts A, B, C, &amp; D) must be completed for each officer with whom the vendor has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.</small>  A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the vendor?  <input type="checkbox"/> Yes <input type="checkbox"/> No  B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?  <input type="checkbox"/> Yes <input type="checkbox"/> No  C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more?  <input type="checkbox"/> Yes <input type="checkbox"/> No  D. Describe each employment or business and family relationship with the local government officer named in this section.  _____  _____	
<b>4</b>	Signature of vendor doing business with the governmental entity _____ Date _____	

Adopted 8/7/2015

**ATTACHMENT D**  
**FEE PROPOSAL**

The contract term is expected to be three (3) years with two (2) possible one-year extensions issued at the discretion of the MFRRF. Proposed fees must include travel and all expenses.

Proposer should submit an annual fee for all services - denoted by general investment consulting as follows:

- 1) All-inclusive fees June 1, 2023 through May 31, 2024:  
\$ \_\_\_\_\_ per annum
  
- 2) Separately priced services (i.e., asset/liability studies, due diligence on manager outside of consultant database): \$ \_\_\_\_\_

The final contract fee should represent the only compensation received by the consultant for services provided to the MFRRF unless separately negotiated. There should not be any other benefit, monetary or otherwise, that results from this relationship between the consultant and the MFRRF.

Applicable Contract Terms:

Consultant shall present a quarterly invoice to the Administrator for the services performed in the previous quarter. The Administrator shall authorize payment of such invoice according to the Board's instructions within thirty (30) days following receipt thereof. Upon termination of this Agreement, the appropriate fee for any partial quarter will be determined by applying the ratio of days elapsed in the calendar quarter to the total number of days in the quarter multiplied by the regularly computed full quarterly fee.

***PLEASE RETURN AS EXHIBIT L***

**ATTACHMENT E**  
**SUBMISSION CHECKLIST**

<b>Item</b>	<b>Included in RFP Response</b>
<b>Transmittal Letter or Executive Summary and Minimum Qualifications Certification</b>	
<b>Answers to all Questions in Technical Proposal</b>	
<b>Exhibit A – Biographies of Proposed Team Members</b>	
<b>Exhibit B – Form ADV (Part I &amp; II)</b>	
<b>Exhibit C – Copy of Proposing Firm’s Code of Ethics Policy</b>	
<b>Exhibit D – List of Current Clients</b>	
<b>Exhibit E – Public Fund References (three)</b>	
<b>Exhibit F – Copy of Asset Allocation Review and Asset/Liability Study</b>	
<b>Exhibit G – Five Years of Capital Market Assumptions</b>	
<b>Exhibit H – Sample Performance Report</b>	
<b>Exhibit I – Sample White Paper/Research Report &amp; List of Research Generated in 2021 - 2023 Sample deal pipeline, pacing &amp; liquidity calendar reports. Sample of firm’s annual outlook &amp; best ideas.</b>	
<b>Exhibit J – Sample of Investment Manager Research/Due Diligence Report</b>	
<b>Exhibit K – Sample of “Finals” Report/Process Memo for Recent Public Markets. AND/OR sample limited partnership recommendation</b>	
<b>Exhibit L – Fee Proposal</b>	