

**REQUEST FOR PROPOSAL (RFP)  
FOR INVESTMENT CONSULTING SERVICES**

**August 10, 2017**

*Issuing Entity:*

Fire & Police Pension Association of Colorado (FPPA)  
5290 DTC Parkway, Suite 100  
Greenwood Village, CO 80111

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## **Introduction**

The Fire and Police Pension Association of Colorado ("FPPA"), a \$4.9 billion multiple-employer public retirement system, is requesting proposals from qualified firms for professional investment consulting services in the following categories:

- 1) Generalist investment consulting services supporting the Board of Directors ("Generalist");
- 2) Specialty investment consulting services in the areas of private equity, real estate, real assets and other illiquid strategies ("Illiquid Alternatives"), supporting the FPPA Investment Staff;
- 3) Specialty investment consulting services in the areas of global macro, multi-strategy, long/short equity, alternative beta and other hedge fund strategies ("Liquid Alternatives"), supporting the FPPA Investment Staff;
- 4) Specialty investment consulting services in the area defined contribution plans, supporting an internal FPPA Self-Directed Plans Committee ("Defined Contribution").

These are non-discretionary, full-retainer mandate(s). FPPA will retain discretion over all manager/fund selection decisions. FPPA recognizes that one or more consultants may be necessary to fulfill the requested services. **The proposer can bid on all services described above or may respond to any category of the requested services.**

## **Background Information**

FPPA was established January 1, 1980, and administers a statewide multiple employer public employee retirement system. FPPA administers benefits for over 28,598 police officers and firefighters throughout the State of Colorado.

**Defined Benefit Plans:** FPPA administers the Members' Benefit Investment Fund ("DB Plan"), which consists of the Statewide Defined Benefit Plan, Statewide Death and Disability Plan, the defined benefit component of the Statewide Hybrid Plan, deferred retirement option plan assets (other than self-directed assets), affiliated local government defined benefit plans, and affiliated volunteer firefighter pension plans.

As of June 30, 2017, DB Plan assets totaled \$4.5 billion with a long-term strategic asset allocation as follows:

Global Public Equity	33%
Fixed Income	15%
Cash	2%
Long/Short Equity	7%
Absolute Return	9%
Managed Futures	4%
Illiquid Alternatives	30%

**Defined Contribution Plans:** FPPA administers the Members' Self-Directed Investment Fund ("DC Plan"), which consists of the Statewide Money Purchase Plan, Deferred Compensation Plan, Deferred Retirement Option Plans (DROP), Affiliated Local Money

Purchase Plans, Separate Retirement Accounts (SRA) and the Money Purchase Component of the Statewide Hybrid Plan.

As of June 30, 2017, DC Plan assets totaled approximately \$400 million held across 18 core mutual fund options, 12 target-date fund options and a brokerage-link option. Fidelity Investments is the record keeper of the DC Plan assets. With the support of a Specialty Consultant, an internal FPPA Self-Directed Plans Committee is responsible for the selection and monitoring of the fund options.

**Governance:** FPPA is governed by a nine person Board of Directors appointed by the Governor and confirmed by the Senate. The Board bears the ultimate fiduciary responsibility for the investment of the Plans' assets. The Board is supported by an Investment Committee consisting of four Board Members. The Board and the Investment Committee have delegated significant responsibility to the FPPA staff and an Internal Investment Committee for the implementation of the investment programs. Led by the Executive Director, the FPPA staff consists of 52 employees including an 11 person investment staff.

**Scope of Services:** The Board will typically conduct 8 regular meetings per year, in addition to a 3-day retreat in June and a half-day educational session in November. The Investment Committee will typically meet in-person on a quarterly basis. The General Investment Consultant is expected to attend these meetings in-person. The Specialty Investment Consultants will attend Board and Investment Committee meetings as needed, but typically just once per year. Additional details of services needed from consultants can be found in the Investment Policy Statements.

FPPA's current DB Investment Policy Statement can be found in Appendix F?

FPPA's current DC Investment Policy Statement can be found in Appendix G?

Additional information about FPPA and plans administered can be found on our website at [www.FPPAco.org](http://www.FPPAco.org).

### ***Legislation Considerations***

Respondents should be familiar with the following legislation:

- a) Fire and Police Pension Association of Colorado. Colorado Revised Statutes (C.R.S.) Section 31-31-101. *et seq.* Note: the investment authority is generally contained in C.R.S. Section 31-31-301 *et seq.*
- b) Colorado Open Records Act. C.R.S. Section 24-72-200.1 *et seq.*
- c) Compliance Regarding Illegal Aliens. C.R.S. Section 8-17.5-101 *et seq.*
- d) Uniform Prudent Investor Act. C.R.S. Section 15-1.1-101 *et seq.*

**FPPA Point of Contact**

From the date of issuance of this RFP until the selection of a firm(s) is completed and announced, firms are not permitted to communicate, for any reason, with any FPPA staff member or Board Member regarding this procurement, except through the Point of Contact named herein. For violation of this provision, FPPA reserves the right to disqualify the offending firm from further participation in this procurement.

The Point of Contact for questions and all matters relating to this RFP is:

Scott Simon  
Chief Investment Officer  
Fire & Police Pension Association of Colorado  
5290 DTC Parkway, Suite 100  
Greenwood Village, CO 80111  
303-770-3772  
[ssimon@fppaco.org](mailto:ssimon@fppaco.org)

**Submission of Proposal and Selection Process**

**Schedule**

**Dates**

RFP Issued	August 10, 2017
<b>RFP Responses Due</b>	<b>September 13, 2017</b>
Evaluation of Responses	September / October 2017
Candidate Interviews (at FPPA)	October 30, 2017
On-Site Diligence of Candidate Firms	November 2017
Selection	December 14, 2017

To be considered for selection, proposals must be submitted via email in Adobe Acrobat format to Scott Simon at [ssimon@fppaco.org](mailto:ssimon@fppaco.org) by September 13, 2017. Proposals should include the following:

- a) Letter of Transmittal. Please detail which services you are responding to (Generalist, Illiquid Alternatives, Liquid Alternatives, Defined Contribution). Please detail all documents submitted with the proposal.
- b) Completed Firm Questionnaire (Appendix A). All applicants complete. Include any requested supporting documentation.
- c) Completed Questionnaire(s) (Appendices B, C, D, E, as applicable, depending on the services). Include any requested supporting documentation.
- d) Fee Proposal. Please provide a proposal of fees to be paid for the services provided. The proposal should include fees based upon a bundled fee for all services applying for as well as an unbundled fee for each category of service.

Firms selected for Candidate Interviews should be prepared to make a presentation to the FPPA Investment Committee and FPPA staff on October 30, 2017. Firm(s) selected for recommendation to the FPPA Board should be prepared to make a presentation at the December 14, 2017, FPPA Board meeting. FPPA will NOT provide reimbursement for any costs incurred by the individuals or firms associated with these presentations.