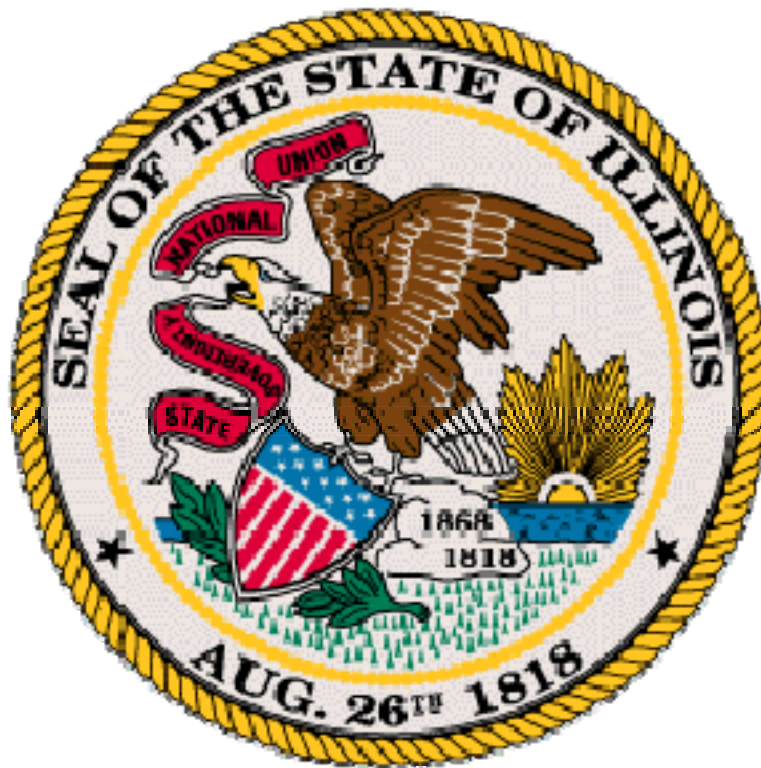


January 16, 2009

# REQUEST FOR PROPOSALS TO PROVIDE CONSULTING SERVICES



**ISSUED BY THE  
COMMISSION ON GOVERNMENT  
FORECASTING AND ACCOUNTABILITY**

Springfield, Illinois

**Proposals due January 30, 2009  
(No later than 4:30 p.m. CST)**

**Proposals due January 30, 2009**  
**REQUEST FOR PROPOSALS (RFP)**  
**TO PROVIDE CONSULTING SERVICES**  
**TO THE COMMISSION ON GOVERNMENT FORECASTING AND**  
**ACCOUNTABILITY**

**Overview.** The Commission on Government Forecasting and Accountability (the “CGFA”) is seeking proposals to provide the CGFA with consulting services.

The CGFA, which is a bipartisan, joint legislative commission that provides the Illinois General Assembly with information on various topics, is seeking the proposals based on the recommendation of its Commission members. At the Commission’s January 12, 2009 meeting, the Commission voted to authorize an outside independent consultant to provide a study of the Illinois Treasurer’s proposed investment merger (Illinois Public Employees Retirement System - ILPERS) to identify areas of savings and/or additional costs. Areas of review shall include various investment expenses associated with the consolidation, such as investment management fees, legal fees, investment consulting fees, and other functions impacted by the proposed asset consolidation. The consultant shall also include an analysis of expected transition costs as assets from the three state pension investment entities are merged into ILPERS. To the extent possible, the consultant shall project aggregate costs/savings in each fiscal year during which transition costs and other costs are expected to be incurred as the three state pension investment entities divest from long-term contractual arrangements in areas such as real estate, private equity, and other alternative investment categories. Additionally, the consultant shall provide a cursory review of other public employee pension system consolidations in the United States to determine whether such consolidations achieved significant savings in the area of investment expenses similar to what the Treasurer’s analysis claims that the formation of an ILPERS entity would achieve. As part of this effort, the successful bidder shall also include a review of investment expenses associated with existing public pension funds with an asset base similar to a proposed ILPERS entity.

Details of this RFP, including the scope of services sought and information requested from respondents, follows. The CGFA reserves the right to reject any and all proposals, waive any irregularities of proposals, request clarification or additional information from any respondents and enter into any agreement as it may determine. This RFP is not subject to the provisions of the Illinois Procurement Code. This RFP is available online at <http://www.ilga.gov/commission/cgfa2006/Home.aspx>. Questions about this RFP may be directed to Executive Director Dan R. Long, CGFA, (217) 782-5320, [dlong@ilga.gov](mailto:dlong@ilga.gov) or Deputy Director Trevor J. Clatfelter, CGFA, (217) 782-5320, [tclatfelter@ilga.gov](mailto:tclatfelter@ilga.gov)

**Proposals Due.** Proposals must be received no later than 4:30 p.m. (Central Standard Time) January 30, 2009. Eight copies, including one unbound copy, of each proposal shall be sent to the attention of Dan Long, Executive Director, Commission on Government Forecasting and Accountability, 703 Stratton Office Building, Springfield,

Illinois 62706. If available, a copy of each proposal also may be submitted on a CD. Proposals shall address all information requested in this RFP and shall be limited to 25 pages including any appendices.

Please notify the CGFA of your intent to respond to this RFP at your earliest convenience, via email to Dan Long at [dlong@ilga.gov](mailto:dlong@ilga.gov)

**Scope of Services and Contract Terms.** As noted above, the CGFA is requesting proposals upon the recommendation of the Commission. The members of the Commission recommended that the CGFA hire an independent consultant to provide a study of the Illinois Treasurer's proposed investment merger (Illinois Public Employees Retirement System - ILPERS) to identify areas of savings and/or additional costs. Areas of review shall include various investment expenses associated with the consolidation, such as investment management fees, legal fees, investment consulting fees, and other functions impacted by the proposed asset consolidation. The consultant shall also include an analysis of expected transition costs as assets from the three state pension investment entities are merged into ILPERS. To the extent possible, the consultant shall project aggregate costs/savings in each fiscal year during which transition costs and other costs are expected to be incurred as the three state pension investment entities divest from long-term contractual arrangements in areas such as real estate, private equity, and other alternative investment categories. Additionally, the consultant shall provide a cursory review of other public employee pension system consolidations in the United States to determine whether such consolidations achieved significant savings in the area of investment expenses similar to what the Treasurer's analysis claims that the formation of an ILPERS entity would achieve. As part of this effort, the successful bidder shall also include a review of investment expenses associated with existing public pension funds with an asset base similar to a proposed ILPERS entity. The Commission asks that the consultant use any and all current and available data from CGFA and other sources to implement this study. Specifically, services to be provided to the CGFA by the consultant shall include, but are not limited to, the following:

- If requested, meet in person or via telephone with staff of the CGFA and legislative staffs as needed.
- The CGFA expects to select a consultant by February 6, 2009 and under the terms of the contract expects to require completion of the consultant's report by March 6, 2009 however, the completion date may be revised based on discussions with the selected vendor.
- Contract terms will include certifications by the consultant as required by Illinois state law, including but not limited to, certifications regarding compliance with non-discrimination requirements; anti-bribery, conflicts of interest, revolving-door prohibition and prohibitions against bid-rigging and bid-rotating. Payment under the contract will be subject to appropriation of funds by the Illinois General Assembly. The contract must include the consultant's agreement not to accept other clients or work during the term of the CGFA contract which, in the

reasonable opinion of CGFA, may create a material conflict of interest with the work under the CGFA contract.

**Response to RFP.** All responses to this RFP must respond to the following questions in full. Additional information may be included in responses within the page limits.

- 1. Identification and ownership of firm.** Briefly describe your firm or organization, including the types of work or services provided; identify the headquarters of the firm and its location and any additional offices and their locations, with the total number of staffers at each location. Identify by name the owners, including beneficial owners, of the firm. Briefly describe the background of principal owners or leaders of the firm.
- 2. Experience of Firm and Assigned Personnel.** Describe the work experience and background of the firm and key personnel who would be assigned to the CGFA contract (including the day-to-day contact person, supervisor and staff, with estimates of the percentage of each person's total work time that would be devoted to the CGFA contract over the period of contract inception through completion of the report. Provide particular detail on experience related to the investment functions of public employee pension systems. State whether the firm and assigned personnel has had any experience relating to the State of Illinois Public Pension System's and describe any such experience in detail. Describe any experience relating to other states' public pension systems investment functions. State whether the firm and any assigned personnel has had prior experience with or is currently serving any governmental agency in the State of Illinois or any other private entity or organization with a substantial presence in the State of Illinois; and describe the nature and extent of such work.
- 3. Potential Conflicts of Interest.** State whether the firm believes any of its prior or current work would present a potential conflict of interest with the CGFA contract, and if so, whether the firm agrees to terminate any current work which, in the reasonable opinion of the CGFA, would present a potential conflict of interest with the CGFA contract. (Note, see contract terms regarding conflict of interest above.)
- 4. Investigations/Litigation.** Indicate whether the firm or any of its principal owners are currently involved or have been involved within the past five years in any criminal or regulatory investigation or material litigation. Briefly describe any such investigation or litigation and any resolution.

5. **References.** Provide at least three references familiar with the work of primary assigned personnel, including contact names and telephone numbers.
6. **Work Approach.** Describe the approach the firm would take to fulfilling the CGFA contract, including identification of any critical information or factors that should be considered in complying with the provisions detailed in the scope of work section of this RFP and in relation to the content included in the proposed ILPERS legislation and other relevant documentation which can be accessed at [www.ilpers.org](http://www.ilpers.org) Confirm that if selected, the firm would agree to meet the contract terms identified above.
7. **Fees.** Propose the fees you would charge if selected. Note, CGFA will not pay any separate charges for any expenses, including any travel, telephone or office or delivery charges. Fees may be proposed as a not-to-exceed lump sum or on an hourly or other basis; but if on an hourly or other basis, the firm must propose a maximum charge that will not be exceeded.

**Evaluation of Proposals.** CGFA will evaluate proposals on a variety of factors, including but not limited to the experience of the firm and assigned personnel relating to public pension systems. CGFA may ask some respondents to travel at their own expense for oral interviews in Springfield, Illinois or to be available for oral interviews by teleconference. CGFA reserves the right to negotiate best and final fees and contract terms and may reject all proposals.