

March 7, 2022

RFP Number: 4442.1  
Due Date: April 8, 2022  
Open Time: 2:00 p.m.

To: Prospective Offerors:

The Montgomery County Public Schools Retirement System Trust (Trust) is seeking proposals from well qualified private markets investment consultants to provide non-discretionary private markets investment advisory/consulting services to the Montgomery County Public Schools Board of Investment Trustees (Board) and MCPS staff (Staff). The successful applicant (herein referred to as the "Private Markets Consultant," "Consultant," or "Firm") will provide advisory/consulting services across all private market asset classes, including Private Equity, Private Debt, and Real Assets. A joint proposal from multiple consultants is acceptable. The contract is anticipated to begin on September 1, 2022.

Please respond according to the instructions provided in the body of this document. Submissions must be received on or before 2:00 p.m., on April 8, 2022. Submissions received after this date and time will not be considered. Submittals shall be delivered sealed with the RFP number, opening date and opening time indicated in the lower left corner of the box or envelope. Submissions shall be delivered to Montgomery County Public Schools Procurement Unit, 45 West Gude Drive, Suite 3100, Rockville, Maryland 20850.

The contractor must submit one (1) original, one (1) redacted copy, one (1) electronic version on flash drive and three (3) separate copies of the proposal. The submission must be signed by an official having authority to contract with MCPS. The firm and official's name shall be used. This solicitation does not commit the district to pay any costs incurred in the submission of proposals or guarantee that an award will be made.

In the event of emergency closing of the MCPS Board of Education offices, this RFP will open at the same time on the next regular working day.

Sincerely,



Angela McIntosh Davis, Team Leader  
Procurement Unit

AMD  
Enclosure

**Department of Materials Management  
Procurement Unit  
MONTGOMERY COUNTY PUBLIC SCHOOLS  
Rockville, Maryland**

**Request for Proposal No. 4442.1, Montgomery County Public Schools (MCPS)  
Retirement System Trust for Private Markets Investment Consultant**

**1.0 INTENT**

The Montgomery County Public Schools Retirement System Trust (Trust) is seeking proposals from well qualified private markets investment consultants to provide non-discretionary private markets investment advisory/consulting services to the Montgomery County Public Schools Board of Investment Trustees (Board) and MCPS staff (Staff). The successful applicant (herein referred to as the “Private Markets Consultant,” “Consultant,” or “Firm”) will provide advisory/consulting services across all private market asset classes, including Private Equity, Private Debt, and Real Assets. A joint proposal from multiple consultants is acceptable. The contract is anticipated to begin on September 1, 2022.

Enclosed are instructions for responding to the request for proposal (RFP), the minimum qualifications checklist (Appendix A), the detailed questionnaire (Appendix B), the cost proposal (Appendix C), the contract (Appendix D), the Trust’s current investments (Appendix E), Procurement attachments A through D, MCPS General Contract Articles and the MAPT Rider Clause. Additional information is included in the body of this document.

**2.0 BACKGROUND**

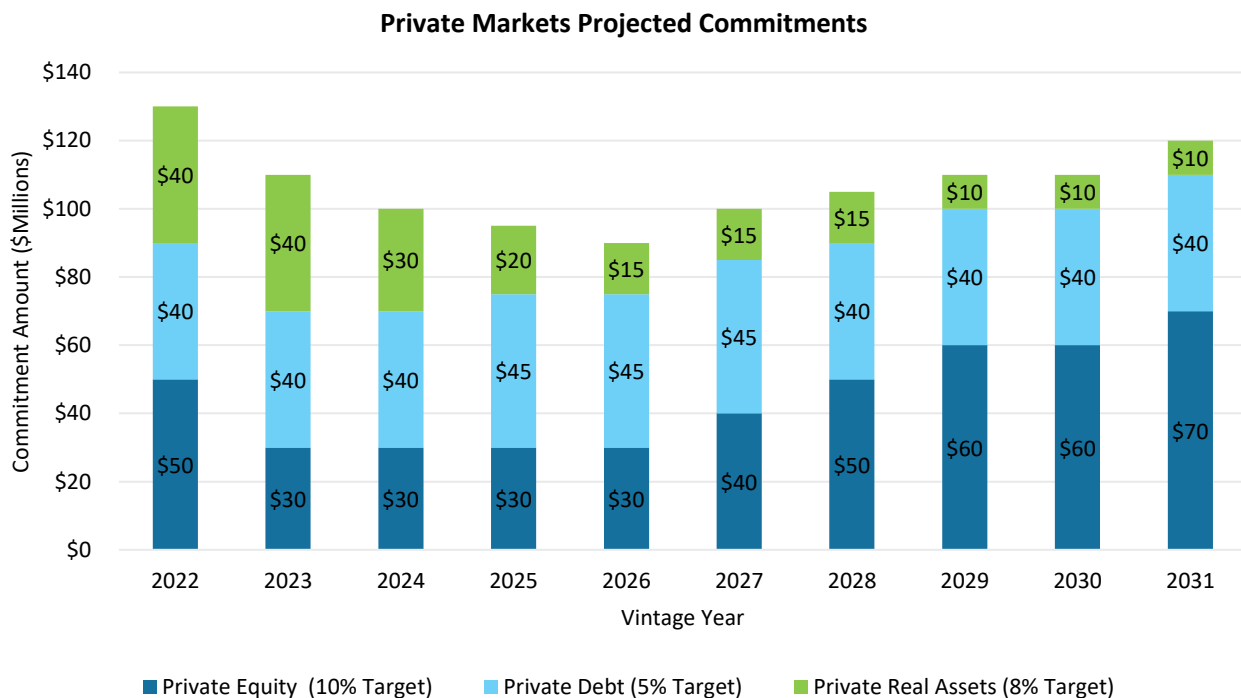
MCPS maintains an Employees’ Retirement and Pension System (Plan) open to eligible employees. The Plan provides a core pension benefit to employees who are not eligible to participate in the Maryland State Teachers’ Retirement and Pension Plan (State Plan). The Plan also provides a supplemental benefit for all eligible employees, including those who participate in the State Plan. In 1995, the MCPS Board of Education adopted a Trust Agreement to hold and invest the assets of the Pension Plan. Nominated by the superintendent and appointed by the Board of Education, the Board of Investment Trustees (BIT) is responsible for the investment and management of the assets of the Trust. The BIT meets quarterly, with additional meetings as required. The current meetings are conducted virtually, and Trustees will meet in-person when restrictions are removed. NEPC, LLC (NEPC) is currently the general investment consultant for the Trust.

As of December 31, 2021, the Trust had assets of approximately \$2.4 billion. The Plan’s funding ratio was 88.4%, based on the actuarial value of assets, as of July 1, 2021. The Trust is well-diversified across multiple asset classes, and the target asset allocation is listed below:

<b>MCPS Asset Class</b>	<b>Target Allocation</b>
U.S. Equity	24.0%
International Equity	18.5%
Global Equity	7.5%
Private Equity	10.0%

Core Fixed	16.5%
Bank Loans	2.5%
Emerging Market Debt	2.5%
Private Debt	5.0%
Real Assets – Real Estate	5.5%
Real Assets – Infrastructure	2.5%
Hedge Funds	3.5%
Cash	2.0%

The preliminary projected commitments based on NEPC’s review are listed below:



*\*Private Markets Projected Commitment Data is preliminary, and has not yet been finalized for 2022.*

### 3.0 GENERAL TERMS AND CONDITIONS

#### 3.1 Pre-Selection Criteria

To be eligible to respond to this RFP, a respondent must meet all of the requirements within the “Minimum Qualifications Checklist” (Appendix A). The checklist must be completed and returned via e-mail to [Angela\\_S\\_McIntosh-Davis@mcpsmd.org](mailto:Angela_S_McIntosh-Davis@mcpsmd.org) by March 18, 2022.

#### 3.2 Form

All proposals must include a completed Appendix B (RFP Questionnaire) and Appendix C (Cost Proposal). All proposals must answer each question in the questionnaire and be returned to MCPS; see 9.0 Format of Response and Submission Guidelines.

Marketing literature and other materials may be attached as supporting evidence if so desired, but responses indicating “see attached materials” will be viewed negatively.

### 3.3 Evaluation Criteria

MCPS will evaluate candidates on criteria deemed to be in the best interest of the Plan, including but not limited to:

- **Organization** - Ownership structure, lines of business, global staffing and office location, company management, firm evolution since inception, reputation, and experience.
- **Professional Staff** - Proposed primary consultant’s level of experience, turnover, compensation, diversity and inclusion, contingency plan, and alignment.
- **Service Model** - Make-up of team providing services, succession planning, level of service to be provided, training and education to Staff and BIT.
- **Research Capabilities** – Research process and philosophy, research department structure, strategic approach, evaluation tools, operational due diligence, legal terms review, depth and breadth of manager strategy research and access, as well as the capacity to incorporate diversity, equity, and inclusion considerations, environmental, social, and governance factors.
- **Public Plans Experience** - Public Plans clients of similar mandate size and strategic goals.
- **Technology** – Approach and efficacy in the use of technology such as proprietary databases, research analytics, and portfolio and manager risk analytics.
- **Conflicts of Interest** – Policies and procedures in place to manage identified conflicts of interest between varying business activities, i.e., discretionary asset management and advisory services.
- **References**
- **Pricing**

### 3.4 Term of Eligibility

Agreements resulting from this RFP shall remain in force based on the contract term; see 5.0 Contract Term. MCPS can terminate the contract with 60 days' written notice. In accordance with MCPS procedures, Staff will periodically review the list of qualified vendors.

## 4.0 SCOPE OF WORK

MCPS seeks proposals from qualified private markets investment consultants to offer non-discretionary advisory/consulting services for private markets investments to the BIT and Staff. The core requirements for the consultant are investment expertise and independence. The investment consultant must be able to work well with the BIT, Staff, general investment consultants, and any service providers while maintaining its independence in providing input and advice concerning investment issues relating to the Trust portfolio.

The scope of services includes but is not limited to the following:

#### **4.1 Strategic Private Markets Investments Consulting**

- Assist the BIT and Staff in the development of a structured private markets program, including the development of the Trust's stated objectives, goals, initiatives, strategies, and pacing plan.
- Assist in the development of the Trust's private markets investments policy statement and guidelines, including annual reviews and recommendations.
- Prepare regular performance reports for the private markets investments portfolio.
- Prepare comprehensive written research, analysis, and recommendations on the private markets industry, including the investment environment, trends, best practices, and pipeline opportunities.
- Attend quarterly BIT meetings and meetings requested by BIT or Staff. Prepare to 1) present performance, allocation, program and manager updates, market overview, research, analyses, written reports, education, and investment recommendations; 2) respond to questions concerning the private markets investment portfolio.
- Assist and support on special projects as requested.

#### **4.2 Private Markets Deal Sourcing and Due Diligence**

- Develop a structured and proactive sourcing process that will analyze the global universe of available private markets investment opportunities, including existing managers and new managers, and identify those that align strategically with MCPS's portfolio.
- Assume oversight of existing private markets investments, taking into consideration the recommended pacing plan, performance analysis, and the Trust's long-term asset allocation. Upon request, evaluate secondary interests offered to MCPS in any existing investment.
- Provide Staff with access to a research database containing investment due diligence and performance reports on private markets funds and underlying portfolio companies.
- Attend meetings and provide reporting on at least a monthly basis to MCPS staff summarizing screening activity, due diligence status and timeline, and potential recommendations.
- Evaluate prospective investments and transactions, including those that may be sourced by Staff. Engage in comprehensive independent due diligence that will include general partner ("GP") site visits and background and reference checks upon staff approval.
- Provide Staff and/or the BIT with the opportunity, at their discretion, to participate in any prospective investment opportunity due diligence meetings, site visits, or interviews.
- Assist Staff's due diligence throughout the sourcing, selection, and contract negotiation.
- Present written investment recommendation reports to the BIT and MCPS staff; reports will include, but shall not be limited to: 1) results of the due diligence; 2) strategic considerations; 3) merits and concerns of the investment; 4) detailed business review and assessment of the fund terms and fund documents; 5) recommended commitment amounts, and 6) how the investments fit in the Trust's overall private markets portfolio. Due diligence must include an evaluation of the GP's investment history, team, performance, and strategy, as well as operational evaluation of the GP's governance, organization, back-office, accounting, external relationships, risk systems, cash controls, and valuation methodologies. Due diligence should also incorporate environmental, social, and governance factors and diversity and inclusion considerations.

- Work with Staff and MCPS legal counsel to negotiate favorable contract terms and conditions. Provide assistance to MCPS by completing subscription documents and side letter development and negotiation.

#### **4.3 Monitoring of Private Markets Portfolio**

- Prepare detailed performance evaluations. Detailed requirements in RFP section 4.5.
- Assist Staff in ongoing investment monitoring, including attending annual meetings, serving on advisory boards, analyzing policy and peer benchmarks, and conducting manager meetings.
- Provide regular updates of relevant operational and/or strategic changes with investment managers, including, but not limited to, performance, organization, ownership, investment products, and disclosure issues. Notify BIT and Staff of any identified material issues, and recommend a course of action to enhance returns or mitigate risks.
- Assist Staff in ensuring that investment managers comply with the terms of their contracts and abide by the Trust's IPS, private markets IPS, and relevant policies.
- Track and model liquidity projections of private markets investments, including reporting on lock-up periods, capital calls, and liquidation timeframes.
- Evaluate and provide written recommendations on any GP-proposed fund document amendments and consents, including but not limited to fund restructurings, fund term changes, fee waivers, term extensions, and investor liquidity options.
- Assist Staff in portfolio secondary sale and liquidation process.
- Provide Staff access to an online client portal, including current and historical documents.

#### **4.4 Database Management**

- Maintain information on portfolio exposure, including vintage years, investment stage, sub-asset classes/strategy, geographic regions, portfolio type (core and non-core, etc.), and industries.
- Maintain historical information on all cash flow, net asset values, commitments (total, funded, and unfunded), management fees, expenses, incentives, leverage, cost basis, and returns on each investment.
- Calculate performance metrics including, but not limited to, IRR and multiple calculations measured against private peer benchmark and public market equivalent performance benchmarks.
- Provide the ability to review cash flows and performance data by individual investment, vintage years, investment stage, sub-asset classes/strategy, geographic regions, portfolio type (core and non-core, etc.), and industries over quarterly periods.
- Produce and provide to Staff all above private market data information in an exported data file (Excel file) on a monthly basis.

#### **4.5 Reporting Minimum Requirements**

- Annually
  - Annual strategic plan—including uncalled capital budgeting and commitment pacing review
  - Analysis and evaluation of goals, strategies, and objectives of private markets portfolio and recommendations to the private markets IPS

- Annual investment allocation assessment by vintage years, investment stage, sub-asset classes/strategy, geographic regions, portfolio type (core and non-core, etc.), and industries
- Detailed attribution analysis including reasons for over/underperformance compared to applicable benchmarks
- Special projects
- Quarterly
  - Rolling 24-month global forward calendar by strategy and geography and targeted forward calendar for MCPS
  - Recommendations and changes to the overall portfolio
  - Market overview and outlook
  - Allocation breakdown by vintage years, investment stage, sub-asset classes/strategy, geographic regions, portfolio type (core and non-core, etc.), and industries
  - Investment update on each fund and manager
  - Management fees, expenses, and incentives by fund on an accrual basis
  - Cash flows and liquidity risk analysis and forecasting
  - Listing of each fund by strategy
  - Date of commitment to each fund
  - Commitment amount to each fund
  - Drawdown, outstanding commitment, and distribution amounts by fund
  - Fund net asset values
  - IRR, multiples, and loss ratio of each fund (gross and net)
  - Appropriate benchmarking against private peers and public market equivalents
  - Narrative comments with respect to the performance and the risks
  - Reconcile quarterly reports with the records of MCPS custodian bank and records for accuracy; provide any other reporting required by Staff.
- Monthly
  - Cash flows and forecasting
  - Listing of each fund by strategy
  - Date of commitment to each fund
  - Commitment amount to each fund
  - Drawdown, outstanding commitment, and distribution amounts by fund
- Provide assistance in compiling appropriate records or information to satisfy public information requests or public reporting requirements. Coordinate with general partners to obtain relevant information related to GASB 72 reporting requirements.

#### **4.6 Education**

- Provide the BIT with educational or training sessions on private markets investments, best industry practices, and other specific issues as requested.
- Provide comments and analysis on proposed federal and state legislation affecting private markets portfolio.
- Provide Staff with access to investment research, publications, white papers, or current investment topics as available.

#### **4.7 Collaboration and Other**

- Collaborate and communicate with Staff, MCPS general investment consultants, investment managers, and other service providers of the Trust on an ongoing basis to ensure effective administration of the Trust.
- Collaborate with MCPS general investment consultants to provide ongoing advice and technical support to establish and refine the total portfolio strategic asset allocation, investment goals and objectives, and the Trust’s policies and procedures.
- MCPS periodically engages the services of the general consultant and actuary to conduct an asset/liability modeling study. While the general consultant will take the lead on asset-liability studies, the private markets consultant shall assist in any manner relevant or necessary and applicable to the conduct of any such study or the preparation of any report related thereto.
- Respond to BIT or Staff inquiries between meetings in an appropriate and timely manner.
- Support the BIT, Board of Education, and MCPS Staff through written and/or oral presentations at their meetings or with media and the general public as necessary and authorized by the Staff or BIT.
- The BIT and Staff will review and evaluate the private markets consultant annually to ensure the services and communications provided are clear, effective, meaningfully aligned with BIT’s overall policy objectives, and that BIT and Staff are receiving the quality services envisioned at the time of engagement.
- Conduct such services under the contract as may be reasonably asked of an investment consultant by a public pension plan.

#### **5.0 CONTRACT TERM**

MCPS plans to enter into an agreement with the selected respondent for an initial period of 24 months. The respondent shall guarantee contract period rates and/or fees through December 31, 2024, as outlined in Appendix C.

The contract will not begin until at least September 1, 2022, after approval by the Montgomery County Public Schools Board of Education. After the initial contract term of 24 months, applicable rates/fees may be renewed annually on January 1st, if agreed to by both parties. MCPS reserves the right to terminate any contract for cause during the contract term subject to the terms of signed contracts and agreements.

#### **6.0 FEE SCHEDULE**

Please complete Appendix C “Cost Proposal” to detail the components of your fee proposal and the total annual price. The fee proposal will be reviewed by MCPS and will be a factor in its selection of finalists. The selection of a Firm to act as an investment consultant will not be based on which Firm submits the lowest fee proposal, as the fee proposal is only one element of the selection criteria. (See 3.3 Evaluation Criteria above.)

MCPS reserves the right to add or delete services during the contract term as needs arise.



## 7.0 PROJECT OFFICER

The MCPS project officer for the proposed procurement is:

Phoebe Kuan  
Director of Investments  
Montgomery County Public Schools  
850 Hungerford Drive, Room 147A  
Rockville, MD 20850

Prior to Board approval, all prospective respondents are cautioned that information relating to the proposed procurement may be obtained only from Angela McIntosh-Davis, Procurement Unit, Team Leader, as indicated in 16.0 Inquiries.

Any attempt to solicit information from other sources within the MCPS system may be cause for rejection of the responsible respondent's proposal.

## 8.0 REFERENCES

List six references for public pension funds with assets each in excess of \$1 billion for the consultants to be assigned to the MCPS account: three clients that are currently receiving private market investments consulting services on an advisory basis and three terminated clients for whom private market investments consulting services on an advisory basis had been provided. Include client name, contact person, address, telephone number, e-mail address, and services provided for each reference.

References may or may not be reviewed or contacted at the discretion of MCPS. MCPS reserves the right to contact references other than, and/or in addition to, those furnished by a respondent.

## 9.0 FORMAT OF RESPONSE AND SUBMISSION GUIDELINES

Proposals shall be submitted and organized in the same order as presented in the RFP. Requirements for each section are indicated below, and proposals must contain all required information to be considered responsive. If an answer to a question requires ancillary documents (e.g., examples, reports, etc.), the attachment must reference back to the question in the RFP.

Vendors may contact Angela McIntosh-Davis to receive the word document to help them in organizing and preparing their response: [Angela S McIntosh-Davis@mcpsmd.org](mailto:Angela_S_McIntosh-Davis@mcpsmd.org). **Responses to this RFP are due on or before 2:00 p.m. on April 8, 2022, at the address below. One (1) original, three (3) separate copies, one (1) electronic version on a USB flash drive, and one (1) redacted copy should be sent by mail, courier, or hand delivered to:**

Montgomery County Public Schools  
Procurement Unit  
45 West Gude Drive, Suite 3100  
Rockville, MD 20850

The redacted copy shall specifically identify confidential business information or technical data that the bidder or his subcontractor does not want used or disclosed for any purpose other than evaluation of the proposal. The use and disclosure of any such technical data, subject to the provisions of the Maryland Public Information Act, may be so restricted, provided, that if a contract is awarded to this bidder as a result of or in connection with the submission of this proposal, MCPS shall have the right to use or disclose these technical data to the extent provided in the contract. This restriction does not limit the right of MCPS to use or disclose technical data obtained from another source without restriction. MCPS assumes no liability for disclosure or use of unmarked technical data or products and may use or disclose the data for any purpose and may consider that the proposal was not submitted in confidence and therefore is releasable. Price and cost data concerning salaries, overhead, and general and administrative expenses are considered proprietary information and will not be disclosed.

The proposal must be signed by an official having authority to contract with MCPS. The Firm and the official's name shall be used in the contract process.

MCPS reserves the right to make an award without further discussion of the proposals received. MCPS may also negotiate with the one respondent who submits the best proposal or with two or more respondents who are deemed by MCPS to be the most competitive. Therefore, it is important that your proposal be submitted initially on the most favorable terms from both the technical and cost standpoints. After the submission and closure of proposals, no information will be released until after the award. It is understood that your proposal will become a part of the official file on this matter without obligation to MCPS.

Your response must be complete and comply with all aspects of these specifications. We urge you to be specific and brief in your responses to the information requested.

Respondents must include any and all statements and representations made within its proposal in the contract for services with MCPS unless otherwise agreed upon by MCPS and respondents during negotiations. This includes, but is not limited to, the vendor's point-by-point response to this RFP. If the respondent answers only "Understand and comply" it is assumed that the respondent complies with MCPS's understanding of the requirement.

MCPS shall not be responsible nor liable for any costs incurred by the respondent in the preparation and submission of their proposals and pricing.

## **10.0 MANDATORY SUBMISSIONS**

RFP response  
Appendix A Minimum Qualifications (due March 18, 2022)  
Appendix B Questionnaire  
Appendix C Cost Proposal  
Appendix D Contract  
References  
Procurement attachments A through D  
MAPT Rider Clause

## 11.0 SCHEDULE OF EVENTS

The anticipated schedule for activities related to this RFP is as follows:

<b><u>Event</u></b>	<b><u>Date Proposed</u></b>
Release of RFP	Monday, March 7, 2022
Vendor Questions & Minimum Qualifications checklist due	Wednesday, March 16, 2022
MCPS Responses to Questions Released (via web and e-mail)	Wednesday, March 30, 2022
RFP due	Friday, April 8, 2022
First Round Interviews	Week of May 2, 2022
On-Site Visits (if necessary)	Week of June 13, 2022
Finalist Interviews, Board of Investment Trustees	Friday, July 15, 2022
Recommendation by Board of Investment Trustees	Friday, July 29, 2022
Vendor selection by Board of Education	Thursday, August 25, 2022
Services Commencement Date	Thursday, September 1, 2022

**All dates are subject to change at the discretion of MCPS.**

## 12.0 PRE-BID CONFERENCE

A pre-bid conference will not be held.

## 13.0 ADDENDA/ERRATA

Changes and addenda to a solicitation may occur prior to the solicitation opening date and time. It is the Firm's responsibility to check the MCPS website under "Event Calendar" <https://www.montgomeryschoolsmd.org/calendar/mcpsbids.aspx> or contact the Procurement Unit at 301-279-3555 to verify whether addenda/errata have been issued.

In the event that MCPS issues addenda/errata, all terms and conditions will remain in effect unless they are specifically and explicitly changed by the addenda/errata. Firms must acknowledge receipt of such addenda/errata by returning one signed copy of each of the addenda/errata with its proposal. Failure to provide the signed acknowledgment of the addenda/errata may result in a bid being deemed non-responsive.

## 14.0 eMARYLAND MARKETPLACE ADVANTAGE

As of June 1, 2008, Maryland law requires local and state agencies to post solicitations on eMaryland Marketplace Advantage (EMMA). Registration with EMMA is free. It is recommended that any interested supplier registers at <https://procurement.maryland.gov/> regardless of the award outcome for this procurement as it is a valuable resource for upcoming bid notifications for municipalities throughout Maryland.

## 15.0 MULTI-AGENCY PARTICIPATION

MCPS reserves the right to extend the terms and conditions of this solicitation to any and all other agencies within the state of Maryland as well as any other federal, state, municipal, county, or local governmental agency under the jurisdiction of the United States and its territories. This shall include but not be limited to private schools, parochial schools, non-public schools such as charter schools, special districts, intermediate units, non-profit agencies providing services on behalf of government, and/or state, community and/or private colleges/universities that require these goods, commodities and/or services. Use of this solicitation by other agencies may be dependent on special local/state requirements attached to and made a part of the solicitation at the time of contracting. The supplier/contractor agrees to notify the issuing agency of those entities that wish to use any contract resulting from this bid and will also provide usage information, which may be requested. A copy of the contract pricing and the bid requirements incorporated in this contract will be supplied to requesting agencies. Each participating jurisdiction or agency shall enter into its own contract with the Firm(s) and this contract shall be binding only upon the **principal's signing** such an agreement. Invoices shall be submitted "directly" to the ordering jurisdiction for each unit purchased. Disputes over the execution of any contract shall be the responsibility of the participating jurisdiction or agency that entered into that contract. Disputes must be resolved solely between the participating agency and the Firm. MCPS assumes no authority, liability, or obligation on behalf of any other public or non-public entity that may use any contract resulting from this bid. MCPS pricing is based on the specifications provided in this solicitation.

## 16.0 INQUIRIES

Inquiries regarding this solicitation must be submitted in writing to Angela McIntosh-Davis, MCPS Procurement Unit Team Leader, 45 W. Gude Drive, Suite 3100, Rockville, MD 20850, via fax at 301-279-3173 or e-mail to [Angela.S.McIntosh-Davis@mcpsmd.org](mailto:Angela.S.McIntosh-Davis@mcpsmd.org). Questions are due by 4:00 p.m. on March 18, 2022. Responses will be posted on EMMA and on MCPS's Procurement website on April 1, 2022. MCPS will not be responsible for any oral or telephone explanation or interpretation by any agent or employee of MCPS. Any binding information given to a Firm in response to a request will be furnished to all Firms as addenda/errata if such information is deemed necessary for the preparation of proposals, or if the lack of such information would be detrimental to the uninformed Firms. Only such addenda/errata, when issued by MCPS, will be considered binding on MCPS.

Contact by Firms with any other MCPS employee regarding this solicitation until the contract is awarded by MCPS will be considered by MCPS as an attempt to obtain an unfair advantage and result in non-consideration of its RFP response. The MCPS Procurement website address is [www.montgomeryschoolsmd.org/departments/procurement/](http://www.montgomeryschoolsmd.org/departments/procurement/).

## 17.0 UNNECESSARILY ELABORATE BROCHURES

Unnecessarily elaborate brochures or other presentations beyond those sufficient to present a complete and effective proposal are not desired and may be construed as an indication of the Firm's lack of cost consciousness. Elaborate artwork and expensive visual and other presentation aids are neither necessary nor wanted.

**18.0 BID PROTESTS**

Any bid protests, including appeals, will be governed by the applicable MCPS Procurement Unit Regulations. The burden of production of all relevant evidence, data, and documents and the burden of persuasion to support the protest is on the Firm making the protest.

**19.0 CONTRACT**

MCPS plans to enter a contractual agreement with the Firm to whom the award is made and intends to make the attached MCPS General Contracting Articles a part of the contract, except and unless modified by MCPS. Articles 29 and 30 are not applicable to this RFP. Proposals must clearly identify any variances from or objections to the specifications in this RFP and the terms and conditions of the MCPS General Contracting Articles. Lacking any response to the contrary, MCPS will infer that the Firm agrees to the specifications of this RFP and each term and condition of the MCPS General Contracting Articles. In particular, the insurance and indemnification provisions set forth in Section 33 of the MCPS General Contracting Articles, as well as the data collection and confidential information provisions set forth in Article 15, are non-negotiable.

**20.0 NOTICE TO BIDDERS**

**The appropriate items below must be completed as part of the RFP. Failure to comply may disqualify your bid. Type or print legibly in ink.**

**I. BIDDER INFORMATION:** As appropriate, check and/or complete one of the items below.

1. Legal name (as shown on your income tax return) \_\_\_\_\_
2. Business Name (if different from above) \_\_\_\_\_
3. Tax Identification Number \_\_\_\_\_

**A copy of your W-9 must be submitted with this bid response.**

**II. BIDDER'S CONTACT INFORMATION:** This will be filed as your permanent contact information.

1. Company Name \_\_\_\_\_
2. Address \_\_\_\_\_
3. Bid Representative's Name \_\_\_\_\_
4. Phone Number/Extension \_\_\_\_\_
5. Email Address \_\_\_\_\_
6. Website \_\_\_\_\_

**III. VENDOR'S CERTIFICATION:** Upon notification of award, this document in its entirety is the awarded Firm's contract with MCPS. By signing below, the undersigned acknowledges that he/she is entering into a contract with MCPS.

- A. The undersigned proposes to furnish and deliver supplies, equipment, or services, in accordance with specifications and stipulations contained herein, and at the prices quoted. This certifies that this bid is made without any previous understanding, agreement or connection with any person, firm, or corporation making a bid for the same supplies, materials, or equipment, and is in all respects fair and without collusion or fraud.
  
- B. I hereby certify that I am authorized to sign for the bidder and that all statements, representations, and information provided in this response to the Request for Proposals, including but not limited to the Non-Debarment Acknowledgement, are accurate.

By (Signature) \_\_\_\_\_

Name and Title \_\_\_\_\_

Witness Name and Title \_\_\_\_\_

**Request for Proposal #4442.1**  
**Montgomery County Public Schools Retirement System Trust (Trust)**

**MINIMUM QUALIFICATIONS**

1. The respondent must be an SEC-registered investment adviser under the Investment Advisers Act of 1940. If this status changes, the respondent will notify the Trust in writing as soon as reasonably practical during this RFP. The respondent must submit its full Form ADV (Parts I and II).
2. As of December 31, 2021, the respondent must have been in business for a minimum of five (5) years and have been providing private markets advisory services for a minimum of five (5) years.
3. The respondent has experience providing non-discretionary private market investment consulting services, similar to those described in RFP Section 4.0, Scope of Work, to at least three (3) U.S. public pension plans with total plan assets of at least \$3 billion, in aggregate.
4. The respondent's lead consultant assigned to this account must have a minimum of five (5) years experience in a lead role recommending private market investments in a variety of asset classes (private equity, private credit, and real assets) to U.S. public pension clients with total plan assets of at least \$3 billion, in aggregate.
5. The respondent must agree in writing to serve as a fiduciary to the Trust under Federal and state laws and discharge its duties solely in the Trust's best interest.
6. The respondent must confirm that there are no material conflicts of interest with the MCPS Board of Education, Board of Investment Trustees, Staff, investment managers, and custodian bank. In addition, the Firm must agree to disclose all conflicts of interest, all sources of revenue, and all affiliations and continue to do so on an ongoing basis.
7. Disclose annually to MCPS any revenues, income, fee breaks, soft dollars, hotel, and travel expense, or other items of significant monetary value received by the consultant or any affiliates from investment managers, general partners, brokerage firms, investment banks, or other financial services businesses.
8. Respondent must warrant that all information and statements in this RFP are complete and true. Any statement or claim found to be incomplete, misleading, or false will be grounds for immediate disqualification or dismissal and may be subject to legal action.

The undersigned hereby certifies that they are an individual authorized to bind the Firm contractually, and said signature authorizes verification of this information.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name and Title (please print)

\_\_\_\_\_  
Name of Firm



**Request for Proposal #4442.1**

**Montgomery County Public Schools Retirement System Trust**

**QUESTIONNAIRE**

**Organization**

1. Please provide your office location(s); insert an asterisk next to the office that will service this account, as well as the primary office location. Will any key staff working on the MCPS account work from a location other than the office servicing this account? List the number of employees located in each office and describe the lines of business and general function(s) of each office.

Office Location	Number of Employees	Office Function

2. Please provide a brief history of your firm, including its involvement in the private markets investment consultant business, the year of organization, ownership structure, affiliations, and any recent changes. Please include details on the current ownership structure, including the percent owned by employees. List the names of owners (individuals or entities) that have a 5% stake or more in the firm. Are there any ownership changes planned or anticipated at this time?

History of your firm (in 100 words or less)	
Year founded	
Current ownership structure and distribution of ownership	
Parent company (or equivalent)	
Affiliations	
Recent firm changes	
Ownership changes planned or anticipated	

3. Provide information on organizational control/decision-making interests by your parent organization and other affiliated parties (i.e., board seats, compensation structure, equity participation, and other ongoing concerns, etc.).

4. Provide an organizational chart of your firm and describe the relationship between the private markets investment consulting group and any other components of your firm.
5. Describe your firm’s compensation and incentive structure for all employees of your firm. Please utilize the table below and add additional rows as necessary.

Staff type	Compensation Incentive Structure	Number of Employees
<b>Consultant</b>		
<b>Private Infrastructure Specialist</b>		
<b>Private Natural Resources Specialist</b>		
<b>Private Equity Specialist</b>		
<b>Private Credit Specialist</b>		
<b>Private Real Estate Specialist</b>		
<b>Analysts</b>		
<b>Monitoring and Reporting</b>		
<b>Economists</b>		
<b>Other Research/Analytics</b>		
<b>Relationship Managers, Client Service</b>		
<b>Administration</b>		
<b>Other (specify)</b>		

6. For the year ended December 31, 2021, please list all services provided by your firm and the percentage of total revenue that such services represent. If your firm has a parent company, please list the percentage of total revenue that your firm’s services represent to the parent company. **Please disaggregate discretionary and non-discretionary revenues.** Please add additional rows as necessary.

Type of Service	% of Total Firm Revenue	% of Total Parent Revenue

7. Provide details on the financial condition of the firm (include debt/equity and debt/total assets and other pertinent ratios). Attach the firm’s current audited financial statement.
8. Provide an organizational chart of the firm and describe the relationship between each component and the consulting group.

9. How many years has your firm provided private markets investment consulting services to public pension plans?
10. Please identify all affiliated institutes, conferences, symposia, foundations, or other institutions and for each, identify related sponsors, members or other participants, and remuneration paid by them during the preceding three (3) years.

Affiliation	Participant Name	Paid in 2019	Paid in 2020	Paid in 2021

11. Is your firm a registered investment advisor with the SEC under the Investment Advisers Act of 1940? If so, please attach the most recent Form ADV Parts I and II. If not, what is your fiduciary classification?
12. Do you subcontract or outsource any parts of your private markets investments consulting business? If “yes,” please describe in detail which functions are performed externally and the reason. Please provide the name(s) of the providers, their office location, how long they have been in business, and the qualifications of the specific people who will be working on our account.
13. Please list the revenue derived from private markets investments consulting services as a percentage of total revenue over the last five (5) calendar years (for all clients and public pension fund clients).

Year	% of Revenue from Private Markets Investments Consulting	% Revenue from Investment Consulting Public Pension Funds
2021		
2020		
2019		
2018		
2017		

14. Please provide coverage amounts with respect to the following types of coverage.

Type of Coverage	Coverage Amount
Errors and Omissions	
Professional Liability	
Fiduciary Liability	
Directors and Officers Liability	
Other (Please Identify)	

<b>Other (Please Identify)</b>	
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15. Has your firm, its principals, or any affiliate ever: (a) been the focus of a non-routine Securities and Exchange Commission (“SEC”) investigation or a similar inquiry from any federal, state, or self-regulatory body; (b) been a party to any litigation concerning fiduciary responsibility or other investment-related matters; or (c) submitted a claim to your errors and omission, fiduciary liability, and/or fidelity bond insurance carrier(s)? Please provide a brief overview and detailed descriptions of each infraction, if “yes” to any.

	<b>Overview</b>	<b>Details</b>
<b>SEC/Federal/State Inquiry</b>		
<b>Fiduciary Responsibility Litigation</b>		
<b>Errors and Omissions Claim</b>		

16. Has your firm or any officer or principal of your firm been involved in litigation related to consulting activities? If so, provide a brief explanation including parties involved, and indicate the current status of the proceedings in the table below.

<b>Practice</b>	<b>Country</b>	<b>Briefly Describe Allegation (100 words or less)</b>	<b>Outcome (50 words or less)</b>
<b>Investment</b>			
<b>Other</b>			

17. Are there any agreements maintained whereby your firm or any individual within your firm pays referral fees, finders’ fees, soft dollars, or other similar consideration or benefits to consultants, brokers, or any other third party? If so, please explain.
18. Describe any relationships with investment managers where your firm or the firm’s affiliate receives revenues, non-cash, or in-kind benefits.
19. Please provide the number and percentage of clients that pay some or all of their consulting fees through soft dollar arrangements?
20. Within the last five (5) years, has your firm or an officer or principal derived any remuneration from any third-party investment manager? If so, please specify the manager, the amount of remuneration, and the consideration you provided in exchange for the remuneration.

Manager	Remuneration Amount	Consideration Provided

21. Does your firm have a written code of conduct or set of standards for professional behavior? If so, please attach a copy and summarize how they are monitored and enforced. **(300 words or less)**
22. Please detail any significant contributions the firm has made in developing and defining “best practices” in the pension fund investment consulting field.
23. Does your firm track diversity metrics for your firm, including Ownership, Investment Committee, and Professionals, with both quantitative/qualitative information available? If “yes,” provide the diversity metrics breakout for your firm.

### *Conflicts of Interests*

24. Does your firm also provide private markets investments consulting services to other private markets fund of funds managers and/or discretionary private markets managers? If “yes,” how do you manage conflicts of interest? **(300 words or less)**
25. Does your firm have a dedicated, full-time compliance officer? Does the compliance officer have a support staff? Please provide a biography of the compliance officer. In **300 words or less**, how is employee compliance monitored? If the firm does not have a full-time compliance officer, who manages conflicts?
26. Does your firm retain any clients for whom it provides general investment consulting services and specialized private market consulting services? If so, please provide a statement in **300 words or less** on how your firm avoids conflicts of interest, i.e., long-term marketing advantages, aggregation of assets, competitive advantages, asset allocation bias, etc.
27. What conflicts of interests could exist between the private markets investments group and other parts of your firm? Please detail any existing or potential conflicts between your consulting activities. How are these potential conflicts, if any, managed?
28. Does the firm receive compensation directly or indirectly from the sale of manager/general partner (GP)/fund database information? For example, what percentage of your revenue do you derive from sales or subscriptions from managers/GPs/funds on your database?

## Personnel and Experience

### *Personnel*

29. Who will be the lead consultant servicing this account? Provide the following contact information.

	Name/Title	Phone	Email	Address
<b>Lead Consultant</b>				
<b>Client Service</b>				

30. Please break down your firm's full-time professional staff and average turnover based on the table below as of December 31, 2021.

Category	Number	% Addition	% Departure
Total Employees			
<b>Lead Consultants</b>			
<b>Other Consultants</b>			
<b>Private Infrastructure Specialist</b>			
<b>Private Equity Specialist</b>			
<b>Private Credit Specialist</b>			
<b>Private Real Estate Specialist</b>			
<b>Analysts</b>			
<b>Monitoring and Reporting</b>			
<b>Economists</b>			
<b>Other Research/Analytics</b>			
<b>Relationship Managers, Client Service, and/or Marketing</b>			
<b>Administration</b>			
<b>Other (specify)</b>			
<b>Total Professional Staff</b>			
<b>Total Number of CFAs</b>			
<b>Total Number of CAIAs</b>			
<b>Ratio of CFA/CAIAs to Total Professional Staff</b>			

31. Provide biographies of personnel to be assigned to the MCPS relationship who will have direct involvement in sourcing, vetting, and recommending on investment options in private markets investments (as defined in this RFP).
32. List the name of lead consultant(s) and the names of personnel who directly support the lead consultant(s) and backup personnel who would be responsible for the MCPS

account, including title, educational qualifications, professional designations, years of institutional investment experience, total years with your firm, and percentage of time dedicated to MCPS. Also provide the total number of accounts assigned to each individual and include the name, plan type, length of relationship, size, and private markets investments consulting services of each assigned client account.

	<b>Lead Consultant</b>	<b>Consultant #2</b>	<b>Consultant #3</b>	<b>Client Service</b>
<b>Name</b>				
<b>Title</b>				
<b>Education</b>				
<b>Professional Designations</b>				
<b>Institutional Investment Experience</b>				
<b>Member of MCPS Team (Y/N)</b>				
<b>Percentage of Time Dedicated to MCPS</b>				
<b>Institutional Investment Consulting Experience</b>				
<b>Years with Firm</b>				
<b>Number of Accounts Assigned</b>				
<b>Name Account #1</b>				
<b>Plan type</b>				
<b>Relationship Length</b>				
<b>Account Size</b>				
<b>Private Markets Consulting Services Provided</b>				
<b>Name Account #2</b>				
<b>Plan Type</b>				

<b>Relationship Length</b>				
<b>Account Size</b>				
<b>Private Markets Consulting Services Provided</b>				
<b>Name Account #3</b>				
<b>Plan Type</b>				
<b>Relationship Length</b>				
<b>Account Size</b>				
<b>Private Markets Consulting Services Provided</b>				
<b>Name Account #4</b>				
<b>Plan Type</b>				
<b>Relationship Length</b>				
<b>Account Size</b>				
<b>Private Markets Consulting Services Provided</b>				
<b>Name Account #5</b>				
<b>Plan Type</b>				
<b>Relationship Length</b>				
<b>Account Size</b>				
<b>Private Markets Consulting Services Provided</b>				
<b>Name Account #6</b>				
<b>Plan Type</b>				
<b>Relationship Length</b>				
<b>Account size</b>				



<b>Private Markets Consulting Services Provided</b>			
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- 33. Provide a brief overview and detailed explanation of how the team dedicated to the MCPS account would function and describe succession plans in the event of a lead or backup personnel departure. **(500 words or less)**
- 34. What policies are in effect to control the workload related to the number of clients serviced by each private markets investment consultant or account manager? For example, is there a limit on the number of accounts that a private markets investments consultant or account manager may handle?
- 35. Summarize your plans for managing your firm’s future growth in terms of staff, maximum assets, and the number of clients per consultant given current staffing resources.
- 36. Provide a brief overview and detailed description of the team’s ability to educate trustees on private markets investment matters. For example, what experience do the team members have conducting educational workshops? What type of research materials does your firm develop or have available for clients?
- 37. Please provide the information in the table below describing your firm’s experience in private markets investments (as defined in this RFP).

	<b># of Partnerships Reviewed</b>	<b># Clients Assisted</b>	<b>Amount of Capital Deployed</b>	<b># of Partnerships Monitored for Performance Reporting</b>
Private Infrastructure				
Private Equity (all strategies)				
Private Credit				
Private Real Estate (all strategies)				

- 38. Please provide the number of full-time equivalents for the private markets investments research team from five (5) years ago and today.

Private Markets Research – 5 Years Ago	Private Markets Research – Today

39. List the turnover of senior management and senior private market research specialists over the past five (5) years as follows:

Person	Position	Date Left	Reason for Leaving	Replaced By

40. Does staff participate in equity ownership? If ownership is not available, is there a specific arrangement for sharing in the profits earned by the enterprise? What specific incentives are employed to ensure key professionals do not leave the firm?

41. Calculate the turnover rate in the private markets investments group in each of the last five (5) years. Indicate the number of consultants/specialists lost in the following areas:

Year	Annual Turnover Rate	Number of Consultants or Specialists Lost	Total Number of Consultants/Specialists
2021			
2020			
2019			
2018			
2017			

**Experience**

42. Please disclose the nature of any business relationship that your firm has now, or has had, in the past ten (10) years with any current or past MCPS Board of Education members, BIT members, MCPS consultants, or MCPS staff.

Nature of Business Relationship	Brief Description
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- 43. List all standard services provided in a typical advisory (non-discretionary) private markets investments consulting. In addition, list the special services you have provided to meet other clients’ needs, including any service mentioned or referenced in this RFP and Questionnaire (and which of those mentioned or referenced in this RFP and Questionnaire that you will not provide). Which of those services are in addition to (or not mentioned in) the scope of services described in this RFP?
- 44. What approaches does your firm use to communicate with your clients? What should a client expect from you in terms of client service? What is your availability to meet with the BIT and staff for investment policy review, manager searches, review of individually managed account-related matters, and other issues that may arise?
- 45. Briefly describe the services of your organization that distinguish your firm from other private markets investments consultants, and discuss how your firm’s strengths would add value to MCPS. **(500 words or less)**
- 46. Please provide a brief overview and detailed explanation of your transition process for taking over a private markets investments asset allocation. What issues would arise, and what problems might be incurred due to the transition? **(500 words or less)**

*Clients*

- 47. Please provide the following information about your firm’s private markets asset clients over the past five (5) calendar years.

	2017	2018	2019	2020	2021
<b>Total non-discretionary retainer clients</b>					
<b>Total non-discretionary assets under advisement</b>					
<b>Total non-discretionary assets invested</b>					
<b>Total discretionary separate account retainer clients</b>					
<b>Total discretionary separate account assets under advisement</b>					
<b>Total discretionary separate account assets invested</b>					
<b>Total single-investor fund-of-funds clients</b>					
<b>Total multi-investor fund-of-funds clients</b>					
<b>Total fund-of-funds assets under advisement</b>					

48. Please provide the following client information, by plan size and plan type, of those clients your firm currently serves on an advisory basis for private markets. Please list the client by number of clients and total plan size, not by allocation to private markets assets.

	< \$100M	\$100M to \$1B	\$1B to \$5B	\$5B to \$15B	\$15B to \$50B	> \$50B	Total
<b>Public Plans (DB)</b>							
<b>Union/Taft-Hartley</b>							
<b>Corporate (DB only)</b>							
<b>Corporate (DB Hybrid or DC only)</b>							
<b>Endowment</b>							
<b>Foundation</b>							
<b>Hospital</b>							
<b>Insurance</b>							
<b>Other</b>							
<b>Total</b>							

49. Please provide the length of the relationship of educational employee clients in the table below.

Client Name	Current Client (Y/N)	Past Client (Y/N)	Length of Relationship

50. For each of the last five (5) calendar years, please provide the name and dollar amount of assets advised for every advisory private markets investments consulting client that terminated their relationship with your firm. In addition, provide the reason for each termination.

Year	Client Name(s)	Amount of Assets Advised	Termination Reason
2021			
2020			
2019			
2018			
2017			

51. List six (6) references for public pension funds with assets each in excess of \$1 billion for the consultants to be assigned to the MCPS account: three clients that are currently receiving private market investments consulting services on an advisory basis and three terminated clients for whom private market investments consulting services on an advisory basis had been provided. Include client name, contact person, address, telephone number, email address, and services provided for each reference.

## **Investment Philosophy and Process**

### ***Private Market Consulting Philosophy***

52. Summarize your firm's philosophy and approach to advisory private markets investments consulting services relating to the consultant's relationship with Boards, staff, private markets investments managers, etc.
53. **In 300 words or less**, explain how this philosophy and approach have changed in light of the COVID-19 Pandemic and concerns about private markets investments liquidity, in transparency and fair value measurement.
54. What consideration does liquidity play in structuring a client's portfolio? Briefly explain. **(100 words or less)**
55. Provide a brief overview of your firm's views on the current state of private markets investments (as defined in this RFP) and the opportunities and challenges facing investors. Include any long-term risk, return, and correlation forecasts for private markets investments and describe how these forecasts are developed and used. **(500 words or less)**
56. Do you invest directly in portfolio companies? If so, please summarize your philosophy and investment approach toward investing directly. Also, please include a detailed explanation of how you decide in which deals to invest. **(500 words or less)**
57. Please provide a brief overview and detailed description of your process for monitoring and reporting on market trends. In addition, include a sample research report generated by your firm. **(100 words or less)**

### ***Investment Process***

58. Summarize and give a detailed description of your firm's overall private markets investments process. Describe how the private markets investments group fits within the context of your firm.

59. In **100 words or less**, describe your private markets investments universe (i.e., deal flow), including how your firm gains access to funds/partnerships that might otherwise be unavailable to new investors. Please provide examples.
60. What are your firm’s competitive advantages regarding deal sourcing and deal flow? **(500 words or less)**
61. Does your firm have the ability to access capacity-constrained managers? If so, how does your firm prioritize investors for whom the fund may be appropriate? **(100 words or less)**
62. What process or procedures do you utilize to ensure that you have ongoing access to the “top-tier” (i.e., top-quartile) GPs/funds?
63. Please provide a brief overview of the benchmark or process that your firm uses to determine which GPs are “top quartile.” Summarize the advantages and disadvantages of using this benchmark or method.
64. Briefly describe the key strengths and competitive advantages your firm possesses that generate superior performance and service to clients.
65. Summarize your firm’s theory and methodology for setting allocation boundaries within private markets investments. Then, briefly explain **(100 words or less)** your process for establishing asset class risk and return assumptions, particularly for private markets assets.
66. What are the current risk return expectations for the private markets assets, including sub-asset classes? Based on these expectations, what is the near-term investment thesis?

<b>Asset Class</b>	<b>Risk Return Expectation</b>
<b>Private Infrastructure</b>	
<b>Private Natural Resources</b>	
<b>Private Equity</b>	
<b>Private Credit</b>	
<b>Private Real Estate</b>	
<b>Other (describe)</b>	

67. Please list specific services provided to your firm's advisory clients regarding transaction management, fund accounting, and fund administration capabilities.
68. Please summarize and describe your approach to providing access for your clients to fund managers. Include your process of allocating manager commitments among clients. Do discretionary clients have an advantage of fund allocation over advisory clients? What advantages do you bring for your clients, specifically in accessing managers?
69. Outline how your firm would plan and implement an advisory private markets investments program for MCPS. What are the steps your firm would take in the process? What unique client factors would your firm consider? How will your firm provide customized consulting to MCPS? **(500 words or less)**
70. What are the firm's thoughts regarding the following items as they relate to the Trust's private markets investment?
  - a. Benchmarks
  - b. Debt vs. equity investments
  - c. Fund of funds investments
  - d. Partnership investments
  - e. Tactical vs. strategic
  - f. Size of commitments
71. Indicate the types of investment strategies and vehicles that your firm has experience with for public pension plan clients and describe the optimal situation for using one vehicle type versus the others:
  - a. Limited Partnership Interests
  - b. LLC
  - c. Fund of Funds
  - d. Co-Investments
  - e. Secondaries
  - f. Targeted or Specialized Investment Programs
72. On a forward-looking basis, under what circumstances would your firm recommend a fund-of-funds private markets investments vehicle versus making investments directly in limited partnership funds? What would be an optimal percentage between the two for a client like MCPS (assume no restrictions)? Does your firm manage its own private markets investments fund-of-funds alongside separate accounts? If so, briefly describe the strategy and return expectation of those fund-of-funds. Would your firm

ever recommend a fund-of-funds managed by another investment manager rather than your own firm's fund-of-funds? **(500 words or less)**

### ***Investment Policy***

73. Please provide a brief overview and detailed description of your pension fund experience (preferably public pension fund) and approach in developing investment policy and objectives for a diversified pension fund like MCPS, especially within the context of a comprehensive strategic plan. Comment on your process for analyzing a pension plan client's portfolio structure and recommending modifications. Describe how you assist the BIT and the Staff in monitoring investment policy, strategy, and asset mix. **(500 words or less)**
74. Please provide an example of an investment policy focused or specific to private markets investments. Briefly address in the policy/strategy any economic/market assumptions and how the strategy achieves its objectives given current and future market volatility changes in interest rates, changes in inflation, and supply and demand constraints.
75. Outline your process for developing and monitoring a client's private markets investment allocation structure. Please describe your firm's capabilities and experiences in helping clients integrate a private markets program on an advisory basis into the fund's broader asset allocation; describe your process for recommending modifications to the portfolio structure as warranted by risk considerations, changes in the market, or benefit obligations/assumptions. **(500 words or less)**
76. Please give a brief statement on MCPS's current allocation of private markets investments (as defined in this RFP) regarding direction, performance, and risk.
77. Does your firm identify any critical over/underweights in various sub-categories of MCPS's current private markets allocations?

<b>Asset Class</b>	<b>Over/Underweights</b>
<b>Private Infrastructure</b>	
<b>Private Natural Resources</b>	
<b>Private Equity (all strategies)</b>	
<b>Private Credit</b>	
<b>Private Real Estate (all strategies)</b>	
<b>Other (describe)</b>	



78. How does your firm work with clients to establish commitment pacing for private markets investments? What types of cash flow forecasting are used? Please provide a sample report if available.
79. Does your firm assist with cash-flow management as it relates to capital calls and distributions from private markets investments in an advisory relationship? If so, please provide a brief overview of the process.
80. Describe the process your firm uses to verify that fees and carry paid by your clients are accurate and in line with the underlying investment agreements. How often do you verify? How do you communicate your findings with your clients?

### ***Due Diligence Process/Investment Selection***

81. Does your firm use some form of pre-approved GP/fund list? Briefly explain why this practice is superior or inferior. Then, please attach a complete list of your firm's pre-approved GPs and funds.
82. Please provide a brief overview and detailed explanation of how your firm sources new investment opportunities. For example, how does your firm source and develop new relationships with GPs prior to making a commitment? Does your firm prefer to strengthen existing relationships and do follow-on funds or seek new GPs to find added value? What criteria are emphasized in the latter stages of a search?
83. How many fund searches did your firm perform in 2020/2021?
84. Summarize how investment recommendations are identified and monitored within your firm. Specify how your data is generated.
85. Please summarize and explain your firm's due diligence process in assessing a potential investment:
  - a. Who is responsible for these activities?
  - b. Are any of these functions ever outsourced?
  - c. Describe each step in your due diligence process that would lead to an investment.
  - d. Discuss qualitative versus quantitative aspects highlighting key decision drivers for both.
  - e. Describe the most common critical areas of focus.
  - f. Sources of data for analysis – how to verify GP information and data
  - g. Legal review
  - h. On-going monitoring – how often ongoing due diligence is conducted and how often site visits are made

- i. Are ILPA principles and guidelines applied in the sourcing and due diligence process?
  - j. Who or what internal governance body approves commitments to funds? Are such commitment decisions approved for all similar clients, or are they specific to each client? Provide resumes for members of the investment committee.
  - k. Describe the process for evaluating non-U.S. GPs and how it differs from U.S. GPs.
  - l. Does your firm run a conflict check per client or at a firm level? If so, at what stage of the due diligence process?
  - m. Please discuss how you would conduct/handle due diligence for special requests by MCPS.
86. Please attach (a) a copy of a recent due diligence report recommending a commitment and (b) a recent due diligence report where an investment was declined. Redacted reports are acceptable.
87. Describe your firm’s experience and capability for analyzing fund structure. What influence does a client’s current GP/fund roster have on selecting a new manager? **(200 words or less)**
88. Comment on whether and how the due diligence process differs for fund sponsors you have invested with before versus those you have not and whether the process varies depending on investment stage and business cycle. Your response should include the following:
- a. Screening Criteria
  - b. Targeted Fund Sponsors
  - c. Due Diligence
  - d. Approval
  - e. Negotiation of Terms and Conditions
  - f. Follow-up and ongoing monitoring
  - g. Use of Outside Advisors, Consultants, Advisory Boards, etc.

	Current GP/Funds	New Managers
<b>Screening Criteria</b>		
<b>Targeted Fund Sponsors</b>		
<b>Due Diligence</b>		
<b>Approval</b>		
<b>Negotiation of Terms and Conditions</b>		
<b>Follow-up and Ongoing Monitoring</b>		
<b>Use of Outside Advisors, Consultants, Advisory Boards,</b>		

<b>etc.</b>		
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89. Please provide a list of all limited partner advisory committee (or similar) memberships that the firm holds for either itself or on behalf of clients.
90. In negotiating a partnership agreement or similar document, describe areas the firm considers most important. Are there any provisions that the firm proactively seeks to include or improve upon? Are there terms or concerns that have changed recently? Does your firm have bargaining power with fees? Provide examples of situations where the terms you negotiated on behalf of your clients led to better than industry average contract terms.
91. Do you have a full-time dedicated team responsible for conducting GP/fund research? How many due diligence site visits are conducted each year by each of these key staff? Please provide further detail as outlined in the table below.

	Private Infrastructure	Private Natural Resources	Private Equity (all strategies)	Private Credit	Private Real Estate (all strategies)	Other (describe)
Number of manager research staff						
Number of other staff involved in manager research						
% of time spent on research by other staff						
# of in-office/on-site visits						
Legal reviews						
Financial reviews/audits						
Compliance						
Prime						

brokers and other service vendors						
Back office /ops./ admin.						
Background checks						
Trading functions and approvals						

92. Briefly describe your firm’s external private markets investments research resources, if any, and how the information obtained is utilized by your firm.
93. Please provide further detail as outlined in the table below concerning the private markets deals sourced by your firm in 2021, 2020, and 2019.

Asset Class	2021	2020	2019
<b>Private Infrastructure</b>			
Reviewed			
Met with			
Conducted due diligence on			
Ultimately recommended			
<b>Private Natural Resources</b>			
Reviewed			
Met with			
Conducted due diligence on			
Ultimately recommended			
<b>Private Equity (all strategies)</b>			
Reviewed			
Met with			
Conducted due diligence on			
Ultimately recommended			
<b>Private Credit</b>			
Reviewed			
Met with			
Conducted due diligence on			
Ultimately recommended			

<b>Private Real Estate (all strategies)</b>			
Reviewed			
Met with			
Conducted due diligence on			
Ultimately recommended			
<b>Other (describe)</b>			
Reviewed			
Met with			
Conducted due diligence on			
Ultimately recommended			

94. Of the types of funds on which your firm has conducted due diligence, which types have presented the most challenges, and why?
95. If your firm manages private markets investments funds, how do you handle due diligence and formulating investment recommendations for investments that may compete with your firm?
96. Does your firm keep a record of all fund recommendations made to public pension plan clients?
97. Describe your firm’s process for monitoring managers and GPs concerning administrative conditions such as staff turnover, mergers, legal issues, and financial soundness. How are clients informed as to new information of this type?
98. Summarize and describe your coverage of U.S. vs. non-U.S. private markets investments. For example, what resources does your firm utilize in sourcing and monitoring investments outside the U.S.?
99. Explain your firm’s ability to participate in first-time/nascent/emerging funds. **(200 words or less)**
100. What is your process for identifying and analyzing first-time funds? How many first-time funds have you made commitments to within each of the last five (5) calendar years? List a sample of the first-time funds you have made commitments to in the table below. Indicate the fund’s strategy and vintage year, and provide the gross IRR of each fund as of December 31, 2021. Conceal names as appropriate. (500 words or less)

<b>2021</b>			
<b>First-time Funds</b>	<b>Strategy</b>	<b>Vintage Year</b>	<b>Gross IRR</b>

<b>2020</b>			
<b>First-time Funds</b>	<b>Strategy</b>	<b>Vintage Year</b>	<b>Gross IRR</b>
<b>2019</b>			
<b>First-time Funds</b>	<b>Strategy</b>	<b>Vintage Year</b>	<b>Gross IRR</b>
<b>2018</b>			
<b>First-time Funds</b>	<b>Strategy</b>	<b>Vintage Year</b>	<b>Gross IRR</b>
<b>2017</b>			
<b>First-time Funds</b>	<b>Strategy</b>	<b>Vintage Year</b>	<b>Gross IRR</b>
<b>2016</b>			
<b>First-time Funds</b>	<b>Strategy</b>	<b>Vintage Year</b>	<b>Gross IRR</b>

101. Does your firm have a policy regarding emerging management firms? If so, please summarize the firm’s policy. (100 words or less)

102. Describe your firm’s experience with emerging managers. What is your definition of an “emerging manager”? How do you source these types of funds? List a sample of emerging managers you have made commitments to in the table below. Include the fund name, strategy, and vintage year. Conceal names as appropriate. (200 words or less)

<b>Fund Name</b>	<b>Strategy</b>	<b>Vintage Year</b>

103. Describe how investment opportunities are allocated among clients and/or fund of funds sponsored by your firm. Please indicate specifically how investment opportunities are (will be) allocated among non-discretionary advisory clients, discretionary advisory clients, and fund-of-funds. Please state whether any clients or funds have preference or priority. Do prior relationships factor into your firm's allocation policy? If so, how do they impact allocation policy and investment prioritization? If your firm maintains an investment queue, provide details on how the queue functions. (500 words or less)
104. Please provide a brief overview and detailed description of your firm's deal sourcing research database. For example, is the database proprietary or purchased from an outside vendor? Are GPs/funds charged for inclusion? How many GPs are tracked? How are GPs/funds added? What is the method for gathering information on the GPs/funds? How often is the data updated? (500 words or less)

<b>Manager research database description</b>	
<b>Proprietary or purchased</b>	
<b>Managers charged for inclusion</b>	
<b>Number of managers tracked</b>	
<b>Method by which GPs/Funds are added</b>	
<b>Method for information gathering</b>	
<b>Frequency of data update</b>	

105. Please list your firm's top 5 existing GP relationships where your firm has made a commitment to at least two (2) or more of their funds and the fund's strategy. For confidentiality reasons, you may list them as Fund 1, Fund 2, etc. Also, describe what has made these funds a top 5 relationship for your firm (e.g., performance, team stability, proprietary deal flow).

<b>Top 5 GPs</b>	<b>Briefly Describe the Relationship (30 words or less)</b>
Fund 1	
Fund 2	
Fund 3	
Fund 4	
Fund 5	

106. What level of detail is included in your database to be used for screening (e.g., assets under management, client information, staffing information, research capabilities, ownership fees, organizational changes, etc.)? How is this information verified? For example, how often is each manager or GP in the database visited by your staff? Provide an example of a research report prepared by your firm.

107. How frequently is the private markets investments manager information updated? What are the sources of data, and how do you ensure that your data is an unbiased and fair representation of the private markets investments manager universe? How is the investment strategy (core, enhanced, high return, etc.) determined for an investment manager or product? (i.e., what are the specific criteria used?)
108. How often are your firm's investment recommendations rejected or vetoed by the clients' investment committee or board of trustees?

### ***Investment Performance***

#### ***GP Monitoring***

109. Please describe how your firm monitors GPs.
- Please include your firm's experience and capability for assessing a GP's total performance.
  - Discuss the number of individuals assigned to monitoring investment products and the frequency of both their internal and external manager visits.
  - What critical criteria does your firm consider in the review of a GP?
  - How frequently are current client investments reviewed?
  - How often does your firm meet with GPs or officers of the company (in the case of direct investments)?
  - Describe how your firm identifies problems with GP activities and performance. Include the process by which steps are taken to rectify the issues.
  - Describe steps you have taken on behalf of your clients who have partnership investments that are performing poorly, have legal issues, or where there is a non-performing GP.
  - At what point would your firm recommend terminating a GP or selling out of a fund? Please provide a sample termination recommendation.
110. What is the percentage of fund turnover in secondary market sales across all client portfolios over the last five (5) calendar years?

<b>Year</b>	<b>Fund Turnover Rate</b>
<b>2021</b>	
<b>2020</b>	
<b>2019</b>	
<b>2018</b>	
<b>2017</b>	

#### ***Performance Measurement and Reporting***

111. Summarize and describe your performance measurement reporting system and methodologies.



112. What sources of data do you utilize for analyzing and evaluating your clients' private markets investments?
113. Outline the overall capabilities of your performance measurement reporting database system. Is your performance measurement system proprietary/developed internally or an "off-shelf" product? Do you plan to make any changes to the current system?
114. What private markets investments categories are tracked in your performance measurement system?

Asset Class	Types of Investments Tracked
Private Infrastructure	
Private Natural Resources	
Private Equity (all strategies)	
Private Credit	
Private Real Estate (all strategies)	
Other (describe)	

115. In a paragraph, discuss your firm's tracking system for prospective investments. How many years of performance data are in the system for prospective investments?
116. Briefly describe the private markets portfolio analytics your firm is capable of providing. How are these analytics used in evaluating fund performance? Provide an example. (500 words or less)
117. Provide performance data, net of fees, for the investments you were involved in selecting for your clients on an advisory and discretionary basis (please disaggregate the data in the table below). Please provide IRRs, TVPI multiple results of your public retirement fund clients with assets between \$1-\$5B as of September 30, 2021, for the last five (5), ten (10), and fifteen (15) years or since inception of your firm (a minimum of 3 years investment history is required), broken down by vintage year and strategy. In addition, for each previously offered funds, please provide the following information in the format shown below.

**Please provide explanations for any periods/funds reflecting significant relative out-performance or significant underperformance.**

<b>(Advisory / Discretionary) Relationship Five-, Ten- and Fifteen-Year Track Record</b>									
<b>Fund Name</b>	<b>Vintage</b>	<b>Total Commitments</b>	<b># of Investments</b>		<b>Amount</b>			<b>TVPI</b>	<b>Net IRR *</b>
			<b>Total</b>	<b>Realized</b>	<b>Invested</b>	<b>Realized</b>	<b>Unrealized Value</b>		
<b>Private Natural Resources</b>									
<b>Total</b>		<b>\$</b>			<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>x</b>	<b>%</b>
<b>Private Infrastructure</b>									
<b>Total</b>		<b>\$</b>			<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>x</b>	<b>%</b>
<b>Private Credit</b>									
<b>Total</b>		<b>\$</b>			<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>x</b>	<b>%</b>
<b>Private Real Estate (all strategies)</b>									
<b>Total</b>		<b>\$</b>			<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>x</b>	<b>%</b>
<b>Private Equity (all strategies)</b>									
<b>Total</b>		<b>\$</b>			<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>x</b>	<b>%</b>

\* Net of all fees, including consultant fees where applicable.

118. What return expectations would you recommend to MCPS on a going-forward basis both in terms of IRR and capital multiplier?
119. How will your firm manage publicly traded securities? Will in-kind distributions be made? If so, what is your firm's distribution and valuation policy?
120. Does your firm contribute performance data to a third party such as Thomson Reuters, Cambridge, Preqin, etc.? If not, please explain why your firm does not contribute performance data.
121. Provide a detailed description of the peer universe to which a client such as MCPS would be compared (include number of public funds, the total number of funds, the range of public and non-public fund assets, the mean and median public fund assets, as well as any other relevant details). In addition, describe how benchmarks are chosen or developed for evaluating the performance of public pension plan clients and how performance is compared to similar portfolios.
122. In your view, how should a client measure and monitor its advisory private markets investments consulting firm's performance? Describe which performance metrics you believe to be most helpful and relevant to MCPS and how you use them to assess

both fund performance and client overall portfolio performance. How does your firm measure its performance?

123. How is compliance with the terms of the limited partnership agreement ensured? Do you certify that client reporting is GIPS® compliant or complies with any other organizational or regulatory standard?
124. Provide a brief overview and detailed description of the client reporting process you typically undertake in preparing quarterly and annual reports. Assuming the information is available on a timely basis from the GPs, how long would it take you to prepare and deliver quarterly and annual reports to the client?
125. Summarize and explain the quarterly reconciliation process. How do you verify and reconcile the manager's returns? How soon are quarterly reports and IRRs available after the end of each quarter? Do you reconcile your calculated performance with fund managers? Describe the interactions and reconciliation process between your firm's performance calculations and that of the managers or funds. Do you reconcile your calculated performance with client custodian banks? Are reported cash flows and NAV data reconciled with fund managers and client custodian banks?

<b>Quarterly Reports and IRRs Availability</b>	
<b>Reconcile performance with fund manager (Y/N). If no, briefly explain why.</b>	
<b>Reconcile performance with client custodian banks (Y/N). If no, briefly explain why.</b>	
<b>Reconcile reported cash flows and NAV data with fund managers and client custodian banks (Y/N). If no, briefly explain why.</b>	

126. List the services your firm provides over the Internet that is accessible by MCPS online. Please include a description of MCPS account analysis and performance that would be available online. Does your firm provide customized computer-based analytical or reporting tools to its clients?
127. Provide a brief overview and detailed description of any comprehensive program-level risk-management tools you use to understand and evaluate the various types of risk associated with a client's private markets investments program. Do these tools allow for look-through to portfolio companies?
128. Are your clients able to electronically access underlying portfolio data? Can the data be manipulated by the client in order to analyze the portfolio? Are clients able to download data? Are clients able to run ad hoc queries?

129. Please explain who owns the data (i.e., the consultant or the client). If the relationship with a client ends, what happens to their information? (100 words or less)

***Environmental, Social, and Governance (ESG) and Diversity, Equity, and Inclusion (DEI)***

130. What are your firm's ESG and DEI-related policies and initiatives?
131. How do ESG/DEI risks and opportunities influence the research and manager evaluation?
132. Does your firm track diversity metrics for General Partners, including Ownership, Investment Committee, and Professionals, with both quantitative/qualitative information available? If yes, provide a sample diversity metrics.

**Exhibits**

133. Please include as exhibits sample copies of the following:
- a. Investment fund deal log
  - b. All funds reviewed 2017-2021
  - c. All funds recommended to clients each year since 2017
  - d. Fund slated for review in 2022 and 2023
  - e. Manager due diligence report for recommended and declined investment
  - f. Sample commitment pacing plan
  - g. Fund due diligence questionnaire and information request list
  - h. Research report
  - i. Sample white papers over the past three (3) years
  - j. Quarterly performance review
  - k. Capital markets projections
  - l. List/sample of client resource tools
  - m. Examples of educational materials
  - n. Alphabetical client list segregated by
    - i. Type of client, i.e., endowment, public fund, etc.
      1. Educational, government, corporate, etc.
  - o. Private market resources, segregated by type, i.e., RE, PE, PC, Inf.
    - i. Team/expertise
    - ii. Firm's last five (5) years of deal flow volume
  - p. Code of conduct or set of standards for professional behavior
  - q. Two (2) most recent investment recommendation memos
    - i. One (1) investment rejection memo, if available
  - r. Examples of portfolio status reports
    - i. Other reports useful in the ongoing monitoring of existing investments

**Request for Proposal #4442.1  
Montgomery County Public Schools (MCPS) Retirement System Trust (Trust)**

**COST PROPOSAL**

A cost proposal must be prepared and submitted with your firm’s service proposal. Your cost proposal must include total projected fees charged to the Trust, based on the requested services. Please refer to RFP Section 4.0, Scope of Work, for a complete description of services required of the successful consultant. The proposal should be detailed and complete in all respects.

If the Trust decides to make significant changes to the level of service from those requested, the cost proposal should provide sufficient itemized breakdown so that the Trust can determine the effect on the total proposed cost. Once the investment consultant is selected, the fees may be further negotiated, but in no case would be higher than the cost contained in this proposal for the scope of services defined in the RFP. Compensation of the investment consultant will be paid quarterly in arrears. Any fees for additional services must be by mutual written agreement.

Include any one-time start-up costs the firm will incur to begin servicing the Trust.

	<b>Proposed Fee (USD or Basis Points)</b>	<b>Fee Base*</b>
1. Annual Retainer		
2. Start-up costs		
3. Other items**		

\* For basis points based cost proposal. Please describe in detail.

\*\*Please describe in detail.

**Request for Proposal #4442.1  
Montgomery County Public Schools (MCPS)  
Retirement System Trust**

**CONTRACT**

This request for proposal is neither a contract nor meant to serve as a contract. It is anticipated that one or two of the proposals submitted in response to this RFP may be selected as the basis for evaluation and negotiation of a contract with the respondents. Such a contract is presently contemplated to contain, at a minimum, the terms of the proposal submitted, as finally negotiated and approved by MCPS. The contract terms may be further negotiated and subject to a “best and final” offer process. MCPS reserves the right to negotiate additions, deletions, or modifications to the contract terms submitted. MCPS is not required to accept the respondent’s exceptions.

Request for Proposal #4442.1  
Montgomery County Public Schools Retirement System Trust (Trust)

(Source: NEPC 12/31/2021 Flash Report)		Ending December 31, 2021
	Private Markets Commitment (\$)	Market Value(\$)
<b>Total Fund</b>		<b>\$2,381,215,132</b>
BlackRock US Equity Index		\$576,366,680
BlackRock Russell 2000 Index		\$119,030,097
BlackRock MSCI EAFE Index		\$256,920,159
BlackRock MSCI EAFE Small Cap		\$89,344,043
BlackRock EM Free		\$136,211,201
Fiera Global Equity		\$68,900,303
GQG Global Equity		\$56,423,183
Wellington Global Quality Growth		\$62,718,043
Blackrock MSCI ACWI IMI Index		\$280
BlackRock Interm. Agg. Bond Index		\$325,526,800
Voya Core Fixed Income		\$11,810,468
Western Asset Core Plus		\$120,414,767
Bain Cap'l SR Bank Loan		\$66,155,776
Ashmore EM Blended Debt Fund		\$64,585,534
UBS Trumbull Property Fund		\$69,951,493
Centerbridge Real Estate Fund II	\$25,000,000	\$0
Oaktree Real Estate Opp Fund VI	\$10,000,000	\$3,489,792
Landmark Real Estate VII	\$20,000,000	\$4,840,061
Walton Street Real Estate Fund VII	\$7,441,503	\$2,479,265
Walton Street Real Estate Fund VIII	\$10,000,000	\$6,125,510
Blue Vista Real Estate Partners V	\$10,000,000	\$4,605,893
LaSalle Income and Growth Fund VIII	\$15,000,000	\$2,287,233
Harbourvest International PEP V (Euro)	\$4,994,967	\$266,427
Harbourvest International PEP VI (Euro)	\$10,263,412	\$8,153,173
Harbourvest VIII - Buyout	\$5,600,000	\$752,324
Harbourvest VIII - Venture	\$4,500,000	\$2,360,584
Dover VII	\$4,000,000	\$168,496
RCP Fund VII	\$5,292,969	\$2,733,799
57 Stars Global Opportunity Opportunity Fund III, LP	\$10,000,000	\$10,955,057
CommonFund Capital Emerging Markets 2013, LP	\$10,000,000	\$15,205,646
Mill Road	\$10,000,000	\$9,507,981
Levine Leichtman Capital Partners VI	\$25,000,000	\$21,616,141
Glendower SOF I V	\$15,000,000	\$10,456,720
Siris Partners IV, LP	\$20,000,000	\$15,982,914
Affinity Asia Pacific Fund V, LP	\$10,000,000	\$3,258,534
Littlejohn & Co Fund VI	\$20,000,000	\$10,622,080
Ocean Avenue Fund IV	\$10,000,000	\$7,528,617
AEA Small Business Fund IV	\$20,000,000	\$9,244,438
StepStone VSF IV	\$3,000,000	\$4,992,613
StepStone VO VI	\$3,000,000	\$3,084,207
StepStone VGP X	\$15,000,000	\$5,969,120
Thoma Bravo Discover III	\$20,000,000	\$14,743,802
Bain Capital Fund XIII LP	\$25,000,000	\$1,575,576
Linden Capital Partners V	\$20,000,000	\$0
Lightyear Capital Fund V	\$20,000,000	\$7,326,981
Ocean Avenue Fund V	\$20,000,000	\$0
Ares Capital Europe V	\$30,000,000	\$9,866,033
Harbourvest Direct Lending Fund	\$20,000,000	\$7,596,350
Harbourvest VIII - Mezzanine	\$1,100,000	\$89,062
Anchorage Cap'l Partners		\$15,129,498
Brigade Credit Fund II		\$29,122,610
Alphadyne Int'l M/F		\$35,227,989
BroadReach EM Macro		\$26,287,680
Voya Disbursement Account		\$19,372,333
Cash Account		\$23,831,766