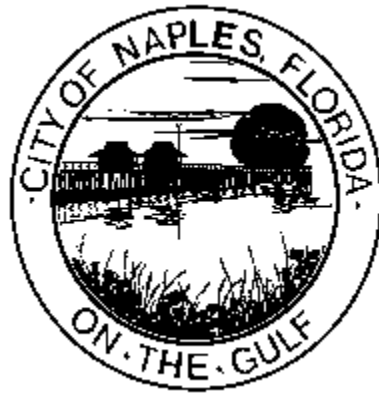


**CITY OF NAPLES
GENERAL EMPLOYEES' RETIREMENT TRUST FUND
POLICE OFFICERS' RETIREMENT TRUST FUND
FIREFIGHTERS' RETIREMENT TRUST FUND**



FINANCIAL INVESTMENT EVALUATION AND CONSULTING SERVICES

REQUEST FOR PROPOSAL(RFP) No. RFP 18-011

INTRODUCTION/DECLARATIONS

The Board of Trustees of the City of Naples General Employees', Police Officers', and Firefighters' Retirement Trust Funds ("Retirement Trust Funds"), hereby gives notice that proposals will be accepted from all individuals or firms interested in providing professional investment consulting and evaluation services in accordance with all applicable local, state and federal rules, codes, regulations and/or laws.

The Board will select the successful submission on the basis of the written proposal and an oral presentation to the three pension Board of Trustees which meet jointly ("Board"). Presentations shall only be scheduled with those individuals or firms whom the Board feels are best qualified to perform the required services. The Board reserve the right to withdraw this Request For Proposal ("RFP No. 18-011") at any time to protect its best interest and the right to reject any non-conforming or unresponsive proposals.

The request and submittal of your proposal shall in no way be construed as an obligation on the part of the Board to provide you with compensation for your efforts or to contract with your firm. However, all proposals shall be considered a binding and an irrefutable offer for a period of sixty (60) days after the proposal due date. The firm ultimately selected shall be required to enter into a Consulting Agreement with each of the three Retirement Trust Funds based on the terms substantially similar to the draft agreement attached to this RFP.

BACKGROUND

Each Retirement Trust Fund is a tax exempt qualified Florida municipal governmental plan. Each Retirement Trust Fund currently employs 13 investment managers responsible for investment of the Retirement Trust Fund's assets. The approximate asset value of the total investment portfolio is \$158M. **Copies of the most current investment performance and asset allocation are attached for your information and review.**

CRITICAL DATE

Time is of the Essence. Submit twenty (20) copies of your proposal in writing to arrive **ON OR BEFORE 02/23/2018 at 2:00 P.M.** Deliver in a Sealed Envelope as Follows:

City of Naples
General Employees' Retirement Trust Funds Police
Officers' Retirement Trust Funds Firefighters'
Retirement Trust Funds
Request for Proposal No. 18-011 / Retirement System Investment Consulting
Services c/o Board of Trustees
735 8th Street South Naples,
Florida 34102
(239)-213-7100
purchasing@naplesgov.com
Attn: Purchasing

Any proposals received after that date and time shall be recorded as "late." The Board will reject late proposals and may request missing information.

ANY INFORMATION REQUESTED WITH RESPECT TO THIS RFP SHOULD BE DIRECTED SOLELY TO THE PURCHASING DEPARTMENT. PLEASE DO NOT ATTEMPT TO CONTACT ANYONE ASSOCIATED WITH THE BOARD OR A REPRESENTATIVE OF THE BOARD CONCERNING THIS REQUEST FOR PROPOSAL.

SELECTION CRITERIA

The following criteria will be used to evaluate bid responses and to select the winning proposer:

- A. Complete response to all response items;
- B. Ability to meet service requirements; quality of services proposed;
- C. Experience, financial performance and results in providing similar services to government and corporate clients;
- D. References provided by other clients;
- E. Qualifications and experience of individuals to be assigned to this engagement; (the representative making the presentation should be the person who will be regularly reporting to the Board and attending Board meetings)
- F. Quality, method and format of written proposal;
- G. Aggregate service cost.

When the Board has tentatively selected a candidate, a conference will be required to formulate plans in greater detail, to clarify any unclear items, and to otherwise complete negotiations prior to the formal award. At any time during the conference, the Board may choose to modify its choice of a selected candidate if, in its discretion, such change is in the best interest of the Board.

TERMS AND CONDITIONS

- A. The Board reserves the right to reject any and all proposals and has the right to waive any irregularities or informalities in a proposal at any time during the selection process until a contract has been executed.
- B. The award will be to the proposal whose bid, in the opinion of the Board, is the best proposal, taking into consideration all aspects of the proposer's response, including the total net cost to the Board.
- C. In the event that the bidder to whom the bid is tentatively awarded does not execute a contract within 30 days after notification of selection, the Board may give notice to such bidder of intent to award to the next most qualified bidder or to call for new bids, and may proceed to act accordingly.
- D. The Board will not be responsible for any expenses incurred in the preparation of proposals or presentations, or costs incurred during contract negotiations.

REQUESTED SERVICES RELATING TO EVALUATION OF MANAGER PERFORMANCE

- A. Quarterly written reports are to be provided. All performance shall be presented net-of-fees.
- B. An oral briefing to the Pension Board is to be provided quarterly for the purpose of interpreting, explaining, and summarizing all quarterly evaluations and performance reports. One of these briefings shall relate to the fiscal year end quarterly report.
- C. Reports shall be provided within at least 45 days of the end of quarter with updated preliminary figures/reporting through the most current period allowable.
- D. The report provided to the Board should contain information which is typical or standard for such reports provided to the firm's other pension fund evaluation clients. At a minimum, the report should provide the following:
1. Summary statistical information on the market value of assets and asset allocation.
 2. Total time-weighted return for each asset class for the most recently completed quarter, 12 months, 3 years and 5 years (and 10 year if available).
 3. Separate detailed analysis for each investment manager's performance and risk metrics and their corresponding effect on the portfolio as a whole.
 4. Comparisons of actual returns with generally recognized indices, and with an appropriate comparable universe of other similarly situated pension fund managers.
 5. Information presented in both table and graph form.
 6. Calculations which allocate the total return between general market forces and management decisions of the fund manager.
 7. Evaluation of investment performance relative to the fund's written investment policies and guidelines and all major market indices and benchmarks.
 8. An indication of whether the manager is meeting the Board's goals and adhering to adopted investment guidelines and legal requirements.
 9. Transaction costs.

REQUESTED SERVICES RELATING TO ESTABLISHMENT OF INVESTMENT GUIDELINES, GOALS, AND APPROPRIATE ASSET ALLOCATION

A. It is the Board's intention to select a financial consulting and investment evaluation firm fully capable of providing this type of service.

B. The selected firm should be prepared to act as consultant in the review and/or development of a written statement of Investment Guidelines and Goals and the development of a corresponding Asset Allocation and liability Analysis. In developing a statement and plan, consideration should be given to:

1. The Board's willingness and ability to assume investment risk.
2. Identification of appropriate asset classes which should be considered for investment.
3. Evaluation of the effect that alternative asset class mixes have on expected long term return and risk.
4. Evaluation and recommendation concerning the plan's liquidity requirements and long-term investment goals.

C. The selected firm must review the Retirement Trust Fund's investment performance and ensure the Board's ongoing compliance with the written statement of Investment Guidelines and Goals. The selected firm must communicate any failure to meet policy goals and provide recommendations to maintain such compliance.

D. The selected firm is expected to educate trustees on investment related matters and products so that the trustees may make informed investment decisions.

REQUESTED SERVICES RELATING TO INVESTMENT MANAGER AND CUSTODIAN SEARCH

A. The Board view this as a service which may or may not be separately priced. It is the Board' intention to select an evaluation firm fully capable of providing this type of service, even though it may not be initially ordered.

B. Services to be provided, if the Board chooses to utilize this service, shall include:

1. Analysis leading to identification of appropriate investment styles consistent with the Board's long-term investment objectives.
2. Development and distribution of a Request for Proposal (RFP) to outside investment managers within investment space universe with appropriate investment style/track record.

3. Clarifying the RFP to potential investment managers. 5

4. Receive proposals from potential investment managers.

5. Clarify and evaluate the proposals from potential investment managers for the Board.

6. Assist the Board in interviewing, selecting and negotiating fees with investment managers.

7. Review and recommend certain contract providers and reporting requirements.

8. Advise the Board in appropriate procedures for transferring management of assets to new managers.

C. The selected firm shall render advice and recommendations in the review, search, and selection of custodial banks for pension fund assets.

REQUIRED CONTENTS OF PROPOSALS IN RESPONSE TO THIS RFP

A. General Information:

1. Name of Firm, address and telephone number of firm representative. General description of the firm and statement indicating the firm's commitment to providing defined benefit pension fund financial evaluation and consulting services. Please identify firm owners and changes in ownership since January 2012. Please disclose all affiliations with brokerage, investment management, custodial and consulting firms.

2. Names and resumes of key personnel who will be responsible for this engagement and all changes in key personnel since January 2012.

3. List of all pension fund consulting/evaluation clients served by the personnel listed in response to item 2 above, including contact reference name, telephone number and approximate total fund size. Indicate type of service provided to each (i.e. financial consulting/evaluation, investment manager search, investment guidelines). List all clients added and terminated from January 2012 to present. Please highlight all Florida-based municipal clients.

4. Explain the size, composition and source of your investment manager database. Is your database of prospective managers developed in-house or purchased from outside vendors? What indices are used for relative comparisons?

5. Does your firm maintain or utilize a public fund universe? If so, how many public funds are included and what is the median size and total assets of this universe? If a public fund universe is not used, what universe(s) is/are used to rank total returns?

6. Are peer universes also maintained for assets classes and for manager style? If so, list the universes that you currently maintain. Are these universe returns reported by plan sponsors or investment managers?

7. Explain your firm's philosophy on active versus passive instruments.

8. Explain if your software systems were developed entirely in-house or purchased from outside services.

9. Statement that the firm can provide all services as requested, or, alternatively, a statement taking exception to certain services which cannot be provided as requested.

10. Provide information on how the fee for the following services will be determined:

a. Evaluation of Investment Manager Performance.

b. Establish Investment Guidelines, Goals and corresponding Asset Allocation.

c. Investment Manager Searches.

Provide an estimated fee for each service. Fees will be paid in "hard" dollars. However, for proposers which are brokerage firms, they should state the percentage (if any) of commissions or other fees which will be available for credit against "hard" dollar fees.

10. How much fiduciary liability insurance does your firm have?

B. Information regarding evaluation of investment manager performance:

1. Provide a complete sample report which illustrates the types of information and format of quarterly reports which will be provided to the Board.

2. Provide a discussion of your general approach, philosophy, capabilities and experience in providing performance evaluation services.

C. Information regarding establishment of investment guidelines, goals and asset allocation:

Provide a discussion of your general approach, philosophy, capabilities and experience in providing consulting services for the establishment of investment guidelines, goals and asset allocation.

D. Information regarding manager search services:

Provide a discussion of your general approach, philosophy, capabilities and

experience in providing manager search consulting services.

E. Disclosure and Conflicts of Interest.

Provide complete responses to the attached DOL/SEC Pension Consultant Questionnaire.

END OF PAGE

MISCELLANEOUS

- A. Please acknowledge that you are a fiduciary of the fund as defined in Section 112.656, Florida Statutes.
- B. Please state whether you agree that the agreement shall be construed under the laws of the State of Florida and federal law where applicable.
- C. Please state whether you agree to venue for any judicial proceeding to be in the county in which the Board's sit (i.e. Collier County).
- D. Please submit form ADV Part II including schedule F, a copy of Florida registration as an investment adviser pursuant to Section 517.12, Florida Statutes, and if you are an out-of-state business entity, a copy of an authorization to do business in Florida pursuant to Section 605.0902 or 607.1503, Florida Statutes.
- E. In conformance with Section 175.071 and 185.06, please confirm that your firm qualifies as "independent" by, at a minimum: a) Providing his or her services on a flat-fee basis; b) your firm is not associated in any manner with the money managers for the pension fund; c) makes calculations according to the American Banking Institute method of calculating time-weighted rates of return. All calculations must be made net of fees; and d) Has 3 or more years of experience working in the public sector.

FOR YOUR INFORMATION:

Section 287.133, Florida Statutes, provides that a person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes, for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list.

END OF PAGE

DOL / SEC Pension Consultant Questionnaire

Are you registered with the SEC or a state securities regulator as an investment adviser? If so, have you provided your clients with all the disclosures required under those laws (including Part II of Form ADV)?

1. Do you or a related company have relationships with money managers that you recommend, consider for recommendation, or otherwise mention to the plan for consideration? If so, describe those relationships.
2. Do you or a related company receive any payments from money managers you recommend, consider for recommendation, or otherwise mention to the plan for consideration? If so, what is the extent of these payments in relation to your other income (revenue)?
3. Do you have any policies or procedures to address conflicts of interest or to prevent these payments or relationships from being considered when you provide advice to your clients?
4. If you allow plans to pay your consulting fees using the plan's brokerage commissions, do you monitor the amount of commission paid and alert plans when consulting fees have been paid in full? If not, how can a plan make sure it does not over-pay its consulting fees?
5. If you allow plans to pay your consulting fees using the plan's brokerage commissions, what steps do you take to ensure that the plan receives best execution for its securities trades?
6. Do you have any arrangements with broker-dealers under which you or a related company will benefit if money managers place trades for their clients with such broker-dealers?
7. If you are hired, will you acknowledge in writing that you have a fiduciary obligation as an investment advisor to the plan while providing the consulting services we are seeking?
8. Do you consider yourself a fiduciary under ERISA with respect to the recommendations you provide the plan?
9. What percentage of your plan clients utilize money managers, investment funds, brokerage services or other providers from whom you receive fees?

Please have the firm's Chief Compliance Officer certify that the responses above are true and correct.