



New York State Insurance Fund
Procurement Unit

May 14, 2019

The following Q&A will serve as Amendment #1 to NYSIF's solicitation for US High Yield Corporate Bonds and Bank Loans Asset Managers, bid number 2019-01-INV. Material in this Amendment supersedes any contradictory material in the solicitation.

Please note that the due date for responses **remains unchanged**.

All responses are due 5/17/19.

Question #	Question	Response
1	Is there a separate document with the questions that need to be answered?	All firms must fulfill the minimum qualification requirements as outlined in Attachment 1. Failure to satisfy each of the minimum qualifications may result in the immediate rejection of the proposal. A completed Attachment 1 must be returned to NEPC by 5/17/19 at NYSIF.HY.BL@NEPC.com. In addition, the appendices listed in Attachment 2 must be completed and returned to contracts@NYSIF.com by 5/17/19.
2	Does the following language apply directly to investment managers participating in this search, if so, could you clarify how? For purposes of this Contract, NYSIF hereby establishes an overall goal of 30% for MWBE participation, 18% for New York State-certified minority-owned business enterprise (“MBE”) participation and 12% for New York State-certified women-owned business enterprise (“WBE”) participation (collectively, “MWBE Contract Goals”) based on the current availability of MBEs and WBEs.	NYSIF has established a goal of 30% MWBE participation for any contracts resulting from this solicitation. If a Contractor, after making good faith efforts, is unable to achieve the MWBE Contract Goals, the Contractor may submit a request for a waiver to NYSIF. Please refer to Appendix M of the solicitation.
3	Is there a specific requirement for investment managers to meet NYSIF’s established goal of 30% MWBE participation for this contract?	NYSIF has established a goal of 30% MWBE participation for any contracts resulting from this solicitation. If a Contractor, after making good faith efforts, is unable to achieve the MWBE Contract Goals, the Contractor may submit a request for a waiver to NYSIF. Please refer to Appendix M of the solicitation.
4	Is there an example of the steps investment managers have taken in the past to meet the 30% goal?	Please refer to Appendix M for guidance on goal achievement and the waiver process.
5	Would a non-MWBE Investment manager need to submit a waiver related to the MWBE contract goals?	NYSIF has established a goal of 30% MWBE participation for any contracts resulting from this solicitation. If a Contractor, after making good faith efforts, is unable to achieve the MWBE Contract Goals, the Contractor may submit a request for a waiver to NYSIF. Please refer to Appendix M of the solicitation.
6	Is there additional background on the size of the opportunity or guidelines?	The expected size of the high yield and bank loan mandate is \$700mm.
7	Can you confirm the description applies to both the HY corp and bank loan mandate, respectively?	The mandate description applies to both the HY Corporate Bond and Bank Loan mandates.
8	Would a global high yield and global bank loan product be considered?	No.
9	Is there a maximum amount of non-US exposure allowed for this mandate?	NYSIF is looking for US exposure.
10	Is there a strong preference for specific benchmarks for the products?	Yes, as specified in the solicitation. However, the manager's existing products can be managed to different benchmarks when demonstrating historical performance.
11	With regard to Minimum Requirement #6 for NYSIF’s US High Yield Corporate Bonds and Bank Loans Asset Manager Search, it states, “Candidate firms must submit their monthly and quarterly product composite returns and quarterly portfolio characteristics since inception through March 31, 2019...” While we are able to provide monthly returns since inception (September 1993) for our Post High Yield Composite, we are only able to provide composite portfolio characteristics going back to June 2009 due to system limitations with our third-party back-office service provider, State Street Bank. Is this acceptable to you for this mandate search and sufficient for us to affirmatively attest to Minimum Requirement #6?	Yes. Please also provide yearly characteristics prior to June 2009 and note this limitation in the solicitation.
12	What is the size of the US high yield/bank loans portfolio(s) that you are seeking asset managers for?	The expected size of the high yield and bank loan mandate is \$700mm.
13	XXXX is not considered to be a Minority and Women-Owned Business Enterprise (MWBE). As such, we believe that Appendix M (pertaining to MWBE Requirements & Procedures) and the Forms therein do not apply to our firm for this NYSIF search process, and Post thus does not need to submit these completed MWBE Forms. Can you please confirm?	NYSIF has established a goal of 30% MWBE participation for any contracts resulting from this solicitation. If a Contractor, after making good faith efforts, is unable to achieve the MWBE Contract Goals, the Contractor may submit a request for a waiver to NYSIF. Please refer to Appendix M of the solicitation.
14	Are the constraints (Asset Mandate Description) strict guidelines, or is there flexibility around it or opportunity to discuss?	NYSIF's constraints are fairly strict, but we will discuss and refine further with managers upon awarding contracts.
15	In terms of benchmark of choice for Bank Loan, do you have a preference for CS LL vs. S&P LL BB/B?	No. TBD
16	Can you help clarify MWBE participation rules?	Please see Appendix M.
17	What is the anticipated size of the mandate?	The expected size of the high yield and bank loan mandate is \$700mm.
18	The Certifications require the Bidder to comply with all terms of Exhibit A, Standard Clauses and Exhibit B, General Specifications. Throughout Exhibit A and Exhibit B there are provisions that state the Bidder “must undertake or continue programs of affirmative action”. Octagon Credit Investors, LLC provides equal opportunity in all employment practices, but does not have a formal affirmative action plan. In light of that, is Octagon qualified to participate in the RFP process?	Please refer to section III of Appendix M.
19	Will NEPC/NYSIF be broadly disseminating the Q&A from all managers or providing direct responses to managers on the specific questions they are asking?	All questions and answers will be posted on NYSIF’s website.

Question #	Question	Response
20	Can you also elaborate on the timing for the next steps in the process? We understand that Attachments 1 and 2 are to be submitted by May 17th. When will managers submit the technical and financial proposals?	Proposals received will be evaluated in a multiple-step process. Following a review of data submitted to eVestment Alliance, bidders selected will be issued additional questions to facilitate the Technical proposal evaluation. MWBE, SBE and SDVOB status will also be evaluated at this step. A group of finalists may be selected for in-person interviews at a mutually agreed date. Financial Proposals will also be evaluated at this finalist step.
21	Candidate firms must submit their monthly and quarterly product composite returns and quarterly portfolio characteristics since inception through March 31, 2019. Just to confirm – we must submit portfolio characteristics for every quarter from inception through March 31, 2019. Or are characteristics as of 3/31/19 sufficient?	NYSIF is requesting portfolio characteristics for every quarter from inception to 3/31/2019. If there is a limitation regarding quarterly characteristics for older history then please provide yearly characteristics for the missing time period and note the limitation in the solicitation.
22	We have accounts that are more aligned with NYSIF’s mandate than one of our current composites that is fully populated in eVestment. When submitting the separate performance history, should the supplemental database also be fully populated in eVestment? Or is there an alternative method for submission of the supplemental performance history outside of eVestment to supplement the fully populated composite in eVestment?	You can submit supplemental information in eVestment or Excel.
23	One of our Bank Loans composites in eVestment does not meet the minimum requirement of five years of verifiable GIPS-compliant performance history. However, we have been managing Bank Loans for decades, including for accounts that are more consistent with NYSIF’s mandate. We wanted to be proactive to make sure that this composite in eVestment does not preclude us from participating. Could you please confirm?	If there is an account that is more consistent with NYSIF’s mandate please submit the supplemental data in eVestment or Excel. All bidders must submit at least one track record (either a composite or account) with at least 5 years of history.
24	While we are on FPLs for other strategies, we have not discussed HY or BLs with NEPC. We are a woman-owned (and led!) firm. Has NYSIF historically made manager decisions based on the FPL, or does a manager without any review from NEPC stand a chance?	All managers who bid on the RFP will be evaluated in the same process as described in the solicitation.
25	Would an RFP for the above referenced search that does not meet the minimum criteria regarding GIPS compliant be considered?	Please see the response to Question #23.
26	If an investment firm doesn’t currently maintain SOC job coding data for employees, would there be an alternative way to report the information? For example, would an EEO-1 document be a sufficient substitute?	The EEO-1 document would need to include the equivalent of the information required in Form 101 & 102.
27	In regards to the staffing plan information required in Appendix M- Form 101; are investment firms expected to respond with information related to the relationship management and investment teams which could directly handle this mandate?	Yes. Please also refer to the General Instructions listed under Form 101.
28	Is there an absolute definition for the entities that are considered subcontractors as it would relate specifically to an investment contract?	SUBCONTRACTOR: Any individual or legal entity (including but not limited to sole proprietor, partnership, limited liability company, firm or corporation) who has entered into a contract, express or implied, for the performance of a portion of a Contract with a Contractor.
29	What is the best way for us to submit this alternative performance history? Should we send it as a separate attachment via email with our submission?	You can submit supplemental information in eVestment or Excel. Please email to NYSIF.HY.BL@NEPC.com.
30	In order to submit for both the High Yield and the Bank Loans, is it just two separate versions of Attachment 1 that need to be submitted? Or, does this mean that two entirely separate submissions need to be done (ie. 2 MacBride Questionnaires, 2 Vendor Responsibility, etc.)?	Two separate Attachment 1’s for High Yield and Bank Loans must be submitted. One submission for the information in Attachment 2 is acceptable.
31	Are specific questionnaires being employed for the search? What sort of information is required and what is the appropriate format?	Please refer to the Dates and Submission Requirements section of the solicitation.
32	We are in the process of completing Attachment 2 – NYSIF Appendices for the U.S. High Yield Bond asset manager search. We have questions regarding Appendix M particularly how asset managers typically complete Forms 101, 102, and 104. Additionally, we were wondering if there is a place in the proposal to disclose that we are a minority-owned firm though we are <i>not</i> NYSED certified.	Form 101 is your current staffing plan to document the composition of the proposed workforce to be utilized in the performance of the Contract by the specified categories listed, including ethnic background, gender, and Federal occupational categories, Form 102 is not submitted with your proposal as it is submitted on a quarterly basis upon contract execution, and Form 104 should only be completed if your firm be unable to meet the 30% MWBE goals on this procurement. Your Appendix M should reflect that your firm is not NYS MWBE certified.
33	Is the reporting period to be used on Form 101 & Form 102 from 1/1/19 through 3/31/19?	Form 101 is required with your submission and should include a firms anticipated workforce for the full contract term which is anticipated to be five years. Form 102 is not submitted with your proposal and would be submitted on a quarterly basis upon contract execution.
34	Additionally, we see Form 101 in the Appendices PDF on page 59 (attached), but is there an excel version that we can use to complete? It seems that the EEO and SOC categories in the PDF are not able to be edited. We have tried searching the website (https://ww3.nysif.com/FooterPages/Column1/AboutNYSIF/Procurement) and we have been unable to find an excel version.	Attached is a blank PDF version.

Question #	Question	Response
35	Form 101. Without knowing the size, scope, and servicing requirements of the mandate, we are unsure if we should complete for the firm's entire workforce or not. Could someone please advise on the ongoing requirements of the mandate?	Where the workforce to be utilized in the performance cannot be separated out from the firm's total workforce, the firm can complete Form 101 for the total workforce.
36	Form 101. The form is in PDF format and not editable and some of the job titles ingrained are not applicable to our business. For instance, we do not have Paralegals and Legal Assistants on staff nor Legal Support Workers. Looking at the Job Classification Guide, would it be correct to designate most employees as, for example, "Credit Analysts", "Financial Specialists, All Other", and "Business Operations Specialists, All Other"?	Attached is a blank PDF version. Please refer to the EEO- Job Classification Guide listed at https://ww3.nysif.com/Home/FooterPages/Column1/AboutNYSIF/Procurement
37	Form 101. All Advent employees are full-time and support the management of client assets. It is difficult to quantify the hours worked on any one account. Is there guidance or precedent you can provide?	Where the workforce to be utilized in the performance cannot be separated out from the firm's total workforce, the firm can complete Form 101 for the total workforce.
38	Form 101. What is the as of date and for what time period does this form cover?	Please include anticipated workforce for 5 years.
39	Form 102. Advent does not employ hourly wage earners – all team members are full-time. How should we complete this form in regards to hours worked and wages?	Where the workforce to be utilized in the performance cannot be separated out from the firm's total workforce, the firm can complete Form 101 for the total workforce.
40	Form 102 Over what time period should this form be completed?	Form 102 is not submitted with your proposal and would be submitted on a quarterly basis upon contract execution.
41	Form 104. We will likely use the Request for Waiver Form for Form 103 since Advent's vendor relationships are longstanding and we have no records of whether we considered MWBEs during their selection. Does the Request for Waiver Form apply to Forms 101, 102, and 103?	The Request for Waiver Form 104 would replace Form 103. Form 101 is still required with your bid submission and Form 102 would still be required upon contract execution.
42	Form 105. If no subcontractor is to be utilized, does this form still need to be completed?	No.
43	We were wondering if there is a place in the proposal to disclose that we are a minority-owned firm though we are not NYSED certified. Our ownership is disclosed in eVestment but were hoping to disclose somewhere in Attachment 2 as well.	You can make a note in Appendix M or F of your submission.
44	<p>In order for us to ensure best execution for our strategy with respect to agency / OTC trades such as high yield bonds and bank loans, our firm's in-house traders work with a variety of designated counterparties. In the case of high yield specifically, we have thirty years experience trading these bonds. Our counterparties do not currently comprise any of the 49 brokerage firms identified on the contractor website (https://ny.newnycontracts.com/).</p> <p>Ideally, we would like to participate in this search but have concerns about our ability to deliver best execution under what would constitute a material change in our trading process (ie. requirement for 30% directed to MWBEs). Therefore, a few questions:</p> <p>Can we apply for a waiver for this requirement? If not, could we apply for a meaningfully reduced allocation to MWBEs, as opposed to 30%? Could we fund MWBEs in some other manner, ie. other vendors such as office supplies, cleaning, etc. Could we satisfy the MWBE requirement via "step-out" with our existing counterparties?</p>	NYSIF has established a goal of 30% MWBE participation for any contracts resulting from this solicitation. If a Contractor, after making good faith efforts, is unable to achieve the MWBE Contract Goals, the Contractor may submit a request for a waiver to NYSIF. Please refer to Appendix M of the solicitation.
45	This communication seeks only to inquire about potential consideration through granting of waivers or exceptions to the noted minimum manager deficiencies so that we may respond to the RFP. Should we be allowed to compete, we will provide additional detail about our portfolio process, security selection, bottom up credit analysis, performance and current positioning. We look forward to the opportunity to compete for the chance to serve the Fund and your insurance constituents.	All firms must fulfill the minimum qualification requirements as outlined in Attachment 1. Failure to satisfy each of the minimum qualifications may result in the immediate rejection of the proposal. A completed Attachment 1 must be returned to NEPC by 5/17/19 at NYSIF.HY.BL@NEPC.com. In addition, the appendices listed in Attachment 2 must be completed and returned to contracts@NYSIF.com by 5/17/19.

Form 101
STAFFING PLAN
Submit with Bid or Proposal-Instructions in Appendix M

Reporting Entity

☐ Contractor

☐ Subcontractor

Report includes Contractor's/Subcontractor's

☐ Workforce Utilized in Performance of Contract

☐ Contractor/Subcontractor's Total Workforce

Offeror's Name

Offeror's Address

Solicitation Number

EEO 1 Job Categories	SOC Job Title	SOC Job Code	Hours worked by Race/Ethnic Identification During Reporting Period									
			White		Black/African American		Hispanic/Latino		Asian/Native Hawaiian or Other Pacific Islander		Native American/Alaskan Native	
			Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
	Lawyers											
	Other -											
	Other -											
	Other -											
TOTAL ANTICIPATED HOURS WORKED												

EEO 1 Job Categories	SOC Job Title	SOC Job Code	Number of Employees by Race/Ethnic Identification During Reporting Period									
			White		Black/African American		Hispanic/Latino		Asian/Native Hawaiian or Other Pacific Islander		Native American/Alaskan Native	
			Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
	Lawyers											
		(
	Other -											
	Other -											
	Other -											
TOTAL ANTICIPATED EMPLOYEES												

Preparer's Name:

Preparer's Title:

Date:

Preparer's Signature: