



November 6, 2015

The following (Q&A) will serve as Amendment #1 to NYSIF's Request for Proposals (RFP) for Investment Advisor Services, bid number 2015-43-INV. Material in this Amendment supersedes any contradictory material in the RFP.

Please note that the due date for the submission of bids **remains unchanged**.

**All bids are due November 16, 2015, by 2:00 p.m.(eastern).**

Sincerely,

A handwritten signature in black ink that reads "Alexandria Romano".

Alexandria Romano  
Contract Management Specialist

Investment Advisor Services  
RFP # 2015-43-INV  
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#	Question	NYSIF Response
1	Is it possible for us to know who the incumbent is, for the subject RFP?	Not material to this RFP.
2	Can you please provide a list of investment managers utilized?	Not material to this RFP.
3	What are your current policy allocation to Private Equity / Real Estate investments? Is this a new allocation the board is considering?	None.
4	Can you provide the current consultant's fee (if applicable)?	Not material to this RFP.
5	What prompted your desire to conduct a search at this time?	Not material to this RFP.
6	Is the current consultant being considered as part of this process?	Not material to this RFP.
7	What are the annual fees for the existing contract that the Fund is paying to its current consultant(s)? Are there project-related fees associated with the current arrangement that are not part of the base fee?	Not material to this RFP.
8	Do you have any specific issues in regards to your current consultant?	Not material to this RFP.
9	What do you think is the single most important characteristic of an investment consulting firm?	Provide strategic/tactical allocation with risk management foundation.
10	Do you have a preliminary schedule of the Board/Committee meetings?	Monthly.
11	When was the last time the Plan performed a liability-based asset allocation study? What is the funded status of the Plan? What are the assumed/target rates of return for the Plan?	Annually, Overfunded (Surplus), 5%.
12	Do you anticipate making any changes to the asset allocation of the Plan? Are you considering any new asset classes?	Yes & Yes (possible Alternatives).
13	What is the most important investment issue your Plan is currently facing?	Maximize risk adjusted returns in a low interest rate environment.
14	Vendor would like to strike all information in Appendix C. Section 6.A. Disaster Recovery Plan after the first sentence of "Contractor shall develop and deliver, upon request, to NYSIF on or before a date as reasonably determined by NYSIF, and at no additional cost to NYSIF, a Disaster Recovery Plan for the services"	NYSIF's Legal Department accepts these changes.
15	Vendor would like to strike all information in Appendix C. Section 6.B.2. Access to Disaster Recovery Plans.	NYSIF's Legal Department accepts these changes.
16	Vendor would like to strike all information in Appendix C. Section 21. Remedies for Breach.	NYSIF's Legal Department accepts these changes.
17	Vendor would like to strike "including models, photographs, rendering and other material prepared for or relating to the project, including any material" in Appendix C. Section 28. Ownership of Documents.	NYSIF's Legal Department accepts these changes.
18	Vendor would like to change to wording in Appendix C. Section 6.C to read, " Contractor shall <b>make commercially reasonable efforts to inform NYSIF</b> no later than 24-hours after the occurrence of an event requiring activation of the Disaster Recovery Plan. At that time, the contractor shall provide NYSIF with a description of the nature and extent of the disaster, an assessment of the impact on all services provided pursuant to this Agreement and a description of the specific recovery actions with their associated timeframes that have been or will be taken as part of the plan. Contractor will provide appropriate periodic updates of the recovery process as required by the NYSIF. <b>(bold indicates change)</b>	NYSIF's Legal Department accepts these changes as long as the work "commercially" is deleted from the proposed language.
19	Vendor would like to strike all information in Appendix C. Section 18. We would need to review all policies and procedures of NYSIF before agreeing.	No, NYSIF can provide all applicable polies to prospective bidders.
20	Vendor would like to change the wording in Appendix C. Section 31 to read, "Contractor shall be fully liable for the actions of its agents, employees, partners or subcontractors and shall full indemnify and save harmless NYSIF from suits, actions, damages and costs of every name and description relating to personal injury and damage to real or personal tangible property and intellectual property caused by an intentional <b>bad</b> act or negligence of Contractor, its agents, employees, partners or Subcontractors, without limitation; provided, however, that the Contractor shall not indemnify for that portion of any claim, loss or damage arising hereunder due to the negligent act or failure to act of NYSIF." <b>(bold indicates change)</b>  Note that the Vendor does not accept liability except where we have acted negligently or otherwise breached our obligations under contract.	No, Appendix C, Section 31 is a NYS requirement that is correctly stated in the RFP.
21	Are the fees paid to vendors public information? If so, what is the fee being paid to NYSIF's current investment consultant?	Not material to this RFP.
22	At what location are the monthly meetings held, or do these rotate among the NYSIF office locations?	New York City.
23	On what day are the monthly meetings held (e.g. Every third Wed., every second Thurs., etc.)?	Investment Committee is the third Tuesday of the month and Board of Commissioners is the third Wednesday.

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24	What percentage of investments are managed internally vs. externally?	90% internal and 10% externally.
25	Of the internally managed investments, how much is active vs. passive and how much is fixed income vs. equities?	100% active.
26	Can you please provide the list of external managers and the products they manage for NYSIF?	Not material to this RFP.
27	Last year, NYSIF conducted an RFI for and hedge fund of funds. Did the NYSIF move forward with implementing hedge fund of funds? If so, what is the target allocation?	Not material to this RFP.
28	In the TROP, are there any alternatives or absolute return strategy allocations currently being implemented within the broad asset classes of equities and fixed income? If so, what is the nature of these allocations (i.e., LBOs, secondaries, venture capital, etc.) and what is the target exposure?	No.
29	Are any changes expected to the premiums currently being collected (i.e., any legislation that would either increase or decrease from current premium levels)?	Unknown at this time.
30	In the ALP, are there any hedging or downside risk management strategies being employed? If so, what kind of derivatives are being implemented?	No.
31	What are the sub-asset allocation targets of the ALP (i.e., U.S. investment grade, non-U.S. investment grade, non-investment grade, etc.), if applicable?	All Investment Grade.
32	Can you please provide NYSIF's meeting schedule?	Investment Committee is the third Tuesday of the month and Board of Commissioners is the third Wednesday.
33	The IPS provided does not reflect alternative investments. Is the NYSIF currently invested in any alternatives?	No.
34	Is the Fund currently considering any changes to asset allocation or any new asset classes?	Yes (possible alternatives).
35	Who is the NYSIF's actuary? Requested service number 17 under "Services to be Provided" in "Section 4 – Technical Specifications" prompts us to ask how much access the selected consultant will have to the Plan's actuary?	Not material at this time.
36	When was the last asset-liability study completed for NYSIF?	The study has previously been completed annually, every April/May.
37	Forms Appendix M 102, Appendix M 105, The ST220-CA and The ST220-TD are not mentioned on page 19 of the RFP, which outlines the appendices to be included with the Bid proposal. Please confirm that we do not need to fill out forms Appendix M 102, Appendix M 105, The ST220-CA and The ST220-TD?	The awarded contractor will be required to complete Appendix M, Form 102 and Form 105, as well as the ST-220 CA/TD prior to contract execution. They are not required to be submitted with you proposal.
38	Bidder has a \$1,000,000 Crime Insurance policy and NYSIF requires "Crime Insurance, including Fidelity Bond coverage in the amount not less than \$3,000,000 including employee dishonesty coverage on money, securities or property other than money and securities including contract and temporary, whether identified or not, acting alone or in collection with others." Is this acceptable?	No, it is not acceptable.
39	NYSIF requests The Bidder have a Professional Liability Insurance policy that has "limits of liability of not less than \$1,000,000 each occurrence, with a limit not less than \$5,000,000". Bidder meets the "dollar amount limits" but hold a claims made policy. Is this acceptable?	No, it is not acceptable.
40	Section 2 Conflicts of Interest a) Will you please provide the list of current investment managers and/or the latest quarterly performance report?	Not material to this RFP.
41	Section 4.B.6. Does the scope of this work include estimating internal costs of investment management? Is this exercise conducted periodically or every time an external manager(s) is hired for a new asset class? If periodically, please state the frequency.	Yes, annual review.
42	Section 4.B.12. What types of special projects are contemplated here? Please provide examples of recent/past special projects?	Securities Lending, Small Cap returns, Transition managers, etc.
43	Section 4.B.13. Will you please list the economic variables for which forecasts are required? How frequently are these required?	Consultant responsibility - Annually.
44	Section 4.B.17. These actuarial services would typically be performed by the Fund's actuary. Is NYSIF expected to replace the current actuary? If not, is it your expectation that the actuarial services requested will be conducted independent of, and in addition to the work done by, the Fund's actuary? In both cases, please provide the frequency at which NYSIF expects this work to be done.	NYSIF does not plan to replace the current actuary with this RFP. Work will be done as needed in addition to the Fund's actuary.
45	Section 4.B.18. What is the frequency at which NYSIF expects the consultant to perform asset and liability studies? How many asset/liability studies were conducted in the last 5 years? Will the Fund's actuary provide the liability information to conduct these studies? Does the NYSIF have an internal model for the asset liability study or will the consultant's models be utilized for the study?	Annually, 5, Yes, No, Consultant model used.
46	Section 4.B.20. Is trading cost analyses to be performed on a quarterly basis for all the portfolios? Or only occasionally on an ad-hoc basis for specific portfolios? Indicate the number of portfolios/mandates for which trading cost analyses was performed in each of the last 3 years.	Quarterly on external managers (9).
47	Section 4.B.26. Is the actuary expected to attend all the meetings, or on an "as needed" basis?	"As needed".
48	Section 4.D. May we provide an annual fee for core/recurring services, and project-based fees for ad-hoc services, such as custodian and securities lending agent searches?	Flat Fee.

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49	Who is the current investment consultant? What is the current scope of services? What are the fees?	Not material to this RFP.
50	Will you please provide the most recent asset allocation, including manager allocation and benchmarks, for each asset pool?	Not material to this RFP.
51	Will you please provide expected liability cash flows, premiums, and estimated annual operating expenses?	Not material to this RFP.
52	Who is the current actuary?	Not material at this time.
53	Who is the current custodian?	Not material at this time.
54	Who is the current securities lending agent?	Not material at this time.
55	Section 4.A.8.ii of the RFP (page 25 of 29) & 33.c of Appendix C Limitation of Liability: Please confirm that the phrase "neither the Contractor nor NYSIF shall be liable for any consequential, indirect or special damages of any kind" in Section 33.c of Appendix C controls over the phrase "without limitation as to form or amount" in Section 4.A.8.ii of the RFP.	Yes.
56	Section 2.b of Appendix C Termination for Convenience: Can this provision be made mutual?	Yes.
57	Section 6.A of Appendix C Disaster Recovery Plan: Can Contractor provide a summary of its disaster recovery plan instead of the full plan itself due to its company policy of not sharing such confidential and proprietary document with any third party?	Yes.
58	Section 15 of Appendix C Assignment: Can Contractor also reference the Investment Advisers Act of 1940, as amended, in connection with the prohibition on assignment without NYSIF's prior consent?	No, Appendix A, Clause 2 controls all contractual assignment issues.
59	Section 28 of Appendix C Ownership of Documents: Can this provision be modified to state that (1) only deliverables created or developed by Contractor specifically and exclusively for NYSIF pursuant to this Contract shall be considered 'work made for hire' and exclusively owned by NYSIF and (2) any of Contractor's intellectual property incorporated into such deliverables shall remain the property of Contractor?	Yes.
60	Section 30 of Appendix C Confidentiality Clause: Can this provision be made mutual?	Yes.
61	Section 32 of Appendix C Indemnification Relating to Third Party Rights: Can the "gross negligence" standard for NYSIF be changed to "simple negligence" in this provision?	No, gross negligence is the NYS standard provision, where NYS's gross negligence is the standard of and the exception to contractor's indemnification relating to third party rights.
62	Section 33.a of Appendix C Limitation of Liability: To the extent that a dollar cap is not permitted under applicable laws and regulations in connection with investment consulting services, can this provision be substituted with one limiting Contractor's liability to its gross negligence or willful misconduct?	No. The provision may not be modified. Simple negligence is the NYS standard for Contractor's liability.
63	New Provision, Discretion: Can this provision be added to the Contract? NYSIF will retain all decision-making authority with respect to the management and administration of the Fund, including appointment and termination of investment managers and final decisions regarding investment policy. Contractor's responsibility does not include discretionary control of the Fund or the assets contained therein. Contractor shall have no responsibility for the actions or advice of any other investment advisors or service providers to NYSIF or its Fund.	No, NYSIF RFP and IPS sufficiently describe NYSIF and Contractor duties and responsibilities.
64	New Provision, Waiver of Jury Trial: Can this provision be added to the Contract? EACH PARTY, ON BEHALF OF ITSELF AND ITS AFFILIATES, TO THE FULLEST EXTENT PERMITTED BY LAW, KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY ACTION OR OTHER LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS CONTRACT OR ANY SERVICES PROVIDED BY CONTRACTOR OR ITS AFFILIATES. THE WAIVER APPLIES TO ANY ACTION OR LEGAL PROCEEDING, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. EACH PARTY AGREES NOT TO INCLUDE ANY EMPLOYEE, OFFICER, DIRECTOR OR TRUSTEE OF THE OTHER AS A PARTY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM RELATING TO SUCH DISPUTE.	No.
65	New Provision, Provision of Information and Assistance: Can this provision be added to the Contract? NYSIF will provide all necessary and reasonably requested information, direction and cooperation to enable Contractor to provide the services, and any direction (whether verbal or written) shall be effective if received (whether verbally or in writing) from a person known to Contractor or reasonably believed by Contractor to be authorized to act on NYSIF's behalf. NYSIF agrees that Contractor shall use all information and data supplied by NYSIF or on NYSIF's behalf without independently verifying the accuracy, completeness or timeliness of it. Contractor will not be responsible for any delays or liability arising from missing, delayed, incomplete, inaccurate or outdated information and data, or if NYSIF does not provide adequate access to its employees, agents or other representatives necessary for Contractor to perform the services. Contractor will be entitled to charge NYSIF in respect of any additional work carried out as a result.	No, NYSIF RFP and IPS sufficiently describe NYSIF and Contractor duties and responsibilities.
66	New Provision, Advice on Legal Matters: Can this provision be added to the Contract? Contractor is not engaged in the practice of law and the services provided hereunder, which may include commenting on legal issues or drafting documents, do not constitute and are not a substitute for legal advice. Accordingly, Contractor recommends that NYSIF secure the advice of competent legal counsel with respect to any legal matters related to the services or otherwise.	No.
67	New Provision, No Third Party Beneficiaries: Can this provision be added to the Contract? Neither this Contract nor the provision of the services is intended to confer any right or benefit on any third party. The provision of services under this Contract cannot reasonably be relied upon by any third party.	No
68	New Provision, Form ADV Part 2: Can this provision be added to the Contract? NYSIF acknowledges receipt of the Form ADV, Parts 2A and 2B of Contractor. NYSIF also agrees that future offers to provide, or the provision of, Form ADV, Parts 2A and 2B or other information required by applicable regulation may be sent to NYSIF electronically, at the email address provided to Contractor by NYSIF prior to such time.	No.

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#	Question	NYSIF Response
69	New Provision, Conflicts of Interest: Can this provision be added to the Contract? NYSIF hereby represents and warrants that in connection with its selection of Contractor to perform the services under this Contract that (i) NYSIF has read and understood the disclosures contained in Contractor's Form ADV, Part 2A, which discloses Contractor's actual and potential conflicts of interest; and (ii) NYSIF has not relied upon any advice or recommendation from any affiliate of Contractor to make such selection.	No.
70	New Provision, Commodity and Trading: Can this provision be added to the Contract? i. To the extent Contractor provides commodity trading advice to NYSIF, Contractor hereby acknowledges that it is a commodity trading advisor ("CTA") with respect to NYSIF. ii. Contractor represents and warrants to NYSIF that Contractor is registered as a CTA under the Commodity Exchange Act ("CEA") and is a member of the National Futures Association ("NFA"). iii. NYSIF acknowledges and agrees that Contractor, as a registered CTA, intends to treat NYSIF as an "exempt account" under CFTC Regulation 4.7(c) under the CEA and, accordingly, Contractor needs to verify certain information in order for Contractor to claim relief from the disclosure and certain recordkeeping provisions of the CEA. Accordingly, NYSIF represents and warrants to Contractor that NYSIF is a "qualified eligible person" under CFTC Regulation 4.7. NYSIF agrees to furnish Contractor with such financial and other information as Contractor may reasonably request to confirm NYSIF's status (or continuing status) as a qualified eligible person and to inform Contractor promptly if NYSIF loses its status as a qualified eligible person. NYSIF consents to NYSIF's account under advisement with Contractor being treated as an "exempt account" within the meaning of CFTC Regulation 4.7(c). iv. NYSIF represents and warrants to Contractor that NYSIF is currently, and will continue to be, an "eligible contract participant" within the meaning of Section 1a(18) of the CEA.	Not applicable. Contractor will not be providing commodity trading advice to NYSIF.
71	New Provision, Commodity and Trading (Part 2 of Question 70).  v. NYSIF hereby represents and warrants to Contractor that (Please check all of the appropriate boxes): <input type="checkbox"/> NYSIF (or, if NYSIF is a commodity pool, the operator thereof) is a member of NFA and is registered under the CEA as a: _____. (Please indicate the category or categories in which NYSIF, or the operator thereof, is so registered, and its NFA ID number. Registration categories include commodity pool operator, commodity trading advisor, futures commission merchant, introducing broker, retail foreign exchange dealer, swap dealer or major swap participant.) <input type="checkbox"/> (If NYSIF is a commodity pool operator or commodity trading advisor but is exempt from registration as such.) NYSIF (or, if NYSIF is a commodity pool, the pool operator thereof) represents that it is exempt from registration under the CEA pursuant to _____ and has made any necessary filings with the NFA in order to avail itself of such exemption. (Please cite the section of the CEA or CFTC Regulation under which exemption from registration is claimed.) <input type="checkbox"/> NYSIF represents that it is not required to be a member of NFA or to be registered under the CEA because it does not engage in activity that comes within the definition of any of the registration categories stated above. PURSUANT TO AN EXEMPTION FROM THE COMMODITY FUTURES TRADING COMMISSION IN CONNECTION WITH ACCOUNTS OF QUALIFIED ELIGIBLE PERSONS, THIS BROCHURE OR ACCOUNT DOCUMENT IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE COMMISSION. THE COMMODITY FUTURES TRADING COMMISSION DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A TRADING PROGRAM OR UPON THE ADEQUACY OR ACCURACY OF COMMODITY TRADING ADVISOR DISCLOSURE. CONSEQUENTLY, THE COMMODITY FUTURES TRADING COMMISSION HAS NOT REVIEWED OR APPROVED THIS TRADING PROGRAM OR THIS BROCHURE OR ACCOUNT DOCUMENT.	Not applicable. Contractor will not be providing commodity trading advice to NYSIF.
72	How many Board meetings did your current advisor attend or make themselves available during the last twelve months?	Eleven Investment and eleven Board of Commissioners meetings (none in August).
73	Do you expect the Advisor to participate in meetings or conference calls with each manager in NYSIF's roster throughout the year?	Twice a year.
74	If yes, how often do you expect the Advisor to meet or have a conference call with each of your investment managers?	Quarterly minimum.
75	How many days in the last twelve months did your current advisor participate in your manager review meetings?	Ten minimum.
76	Do you expect the Advisor to participate in meetings or conference calls with each of your Manager of Emerging Managers? If yes, how many meetings or conference calls do you have over the course of a year?	Yes, 2 mandatory.
77	Are your manager review meetings separate from your investment committee meetings?	Yes.
78	Do you expect the Advisor to assist NYSIF management with its Securities Lending and Custodial and other vendor reviews by participating in meetings with staff and your vendors, separate from the Investment Committee meetings? If so, how many meetings have you had with your current advisor regarding securities lending, custodial and other similar vendors in the last twelve months?	Yes, approximately 10-15.
79	Do you expect to the Advisor to assist NYSIF with transition manager searches and evaluations?	Yes.
80	Given potential meeting volume, since it seems as though there is significant Advisor contact, will the location of the Advisor a factor or will preference be given to Advisors located near NYSIF? location of the Advisor?	No, but must be available to come to NYSIF (NYC) office ad hoc.
81	Please describe special projects/research that you had have asked your Advisor to complete for you in the last three years.	Securities Lending, Small Cap returns, Transition managers, etc.