



STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS
560 NORTH NIMITZ HIGHWAY, SUITE 200
HONOLULU, HAWAII 96817
January 27, 2016

TO: Interested Parties

FROM: Phyllis Ono-Evangelista
Procurement Manager

SUBJECT: Request-for-Proposals, No ITP 2016-01, Addendum No. 3
Investment Consultant

This Addendum No.3 is to provide responses to some of the question that were received by the Office of Hawaiian Affairs (OHA) by 9:00 a.m. HST, January 22, 2016.

Question and General Information:

1. General Information: The consultant will not be responsible for performance reporting nor anything to do with OHA's land holdings. Based on the availability of funds the Annual Investment Consultant fee shall not to exceed a combined total of \$120,000.00 to include Fiscal Year 2016 (FY16) and Fiscal Year 2017 (FY17). Each fiscal year is allocated \$60,000.00. The total number of funded quarters for FY16 and FY 17 is five (5) quarters.
2. Please place the Offer Form OF-1 and Offer Form OF2 in front of the Cover Page.
3. On Page 3 in the RFP, in the chart for RFP Schedule and Significant Dates, the line for Proposal Evaluations has dates of February 9, 2016 – February 3, 2016; should it be February 9, 2016 – March 3, 2016.

Response: Yes, it should be March 3, 2016. The date change has been reflected in Addendum 2.

4. Did you execute the last RFP posting?

Response: The OHA did not execute a contract.

5. Shall we bill for five (5) quarters versus one (1) year?

Response: The initial contract will be for five (5) quarters then two (2) years thereafter; payments will be contingent upon the availability of funds.

6. Is this the same RFP from the last proposal issuance?

Response: This RFP included additional information from the last proposal. It is not the same proposal. Most of the new requests are under the Qualification and Experience heading.

7. Will the payment be \$60,000 per year?

Response: The allocation of funds is \$120,000 for five (5) quarters.

8. Going forward, will the payment go to \$60,000 per year?

Response: At this point, the plan is \$120,000 for five (5) quarters. However, this does not include Performance Qualifications.

9. Is there an incumbent for this RFP?

Response: There is no incumbent. Absolute Advisors provided these services until the end of 2014.

10. How soon will the Monitor Report be available?

Response: The third quarter Monitor Report should be available 5 or 6 weeks after the end of the quarter.

11. Will the Monitor Report be available five (5) or six (6) weeks after the contract award?

Response: The Monitor Report's availability will be contingent upon our Board of Trustees (BOT) meeting.

12. On Page 13, Section 3.1 Background will there be any changes with the RFP Target Allocation?

Response: No changes.

13. On Page 19, Section 3.6.2 the Annual Risk Assessment, will we have access to the performance numbers?

Response: Yes, the Contractor will have full access to the performance numbers.

14. Will all the meetings be held in this building (NLK)?

Response: We believe so; the two (2) meetings with the BOT RM (Resource Management) Committee will be held in this building.

15. Where will the meeting normally be held?

Response: All of the meetings will be held here (Nā Lama Kukui) at the OHA.

16. Will the meetings be held in March and June; when will the meetings be held?

Response: The meetings are anticipated to be held in March and September, after fiscal year and calendar year end. A schedule for the meetings will be made available to the Contractor.

17. What day will the meetings be held?

Response: The meetings are usually held on Wednesdays.

18. Are there any RFPs/RFIs for investment manager services currently being contemplated?

Response: There are no RFPs/RFIs for investment managers currently being contemplated.

19. Do you have a date for the September 2016 meeting? And will that be the only meeting in 2016 that will be required of the hired consultant?

Response: The BOT meeting is set for September 21, 2016. It is anticipated to be the only remaining meeting for 2016, there may be a follow-up request later in the year.

20. Please provide a copy of a monthly, quarterly or annual State Street Report. Specifically, we want to assess if the report provides sufficient data (i.e., peer universe comparisons, risk measures, etc.) that will allow us to perform performance reviews and risk assessments, or if we'll need to load data from State Street into our own performance measurement system.

Response: The quarterly report from State Street is available upon request.

21. On Page 26 of the RFP, Section 4.12 F, lists proposal requirements. What do you want us to show under "1.c. Tabbing of Sections"? And how does that differ from "1.b. Table of Contents"?

Response: On Page 26 of the RFP, Section 4.12.F.1. c "Tabbing of Sections" this is a reminder to tab the sections as identified in Section 4.12.F.1. b "Table of Contents" The table of contents should be at the beginning of your proposal and should reflect the name of the tabs in its chronological order.

22. The RFP is seeking a new consultant. Will your committee consider other investment models which include the Outsourced Chief Investment Officer structure? Under our model, we act in the capacity of selecting managers for your fund. Given the timeline to complete the RFP, we would appreciate knowing if your committee would be willing to consider a different model besides consulting?

Response: At this time, the OHA is seeking investment consulting services.

23. Is there flexibility regarding the day the consultant meets with the BOT or are these meetings pre-scheduled?

Response: The dates for the BOT and BOT Committee meetings are set in advance. However, the agenda for these dates are flexible.

24. Can you please describe the Hawaii Direct Investments listed on Page 13 of the RFP and indicate whether these investments would be included in the consultant's scope of work.

Response: On Page 13, Section 3.1 Background, HDI is invested in funds acting as a placeholder for replicating the return of real assets. These funds include TIPs, commodities, natural resources, and REITs.

25. Can you please describe and if possible, provide examples of the Annual Risk Assessment described on Page 19 of the RFP. Please describe the data source the consultant can use to create this information.

Response: Historical performance reports for each investment manager and their respective benchmarks will be available to calculate the risk assessment.

26. Can you provide an example of the Market Cycle review analysis?

Response: This report includes an attribution analysis review of the OHA's investment managers versus their respective benchmarks. The last market cycle review covered the years 2003 to 2008.

27. On Page 10 of the RFP mentions Broadcasters Liability Insurance which I am not familiar with. Can you please describe what is covered in this insurance and indicate if it is a requirement.

Response: On Page 10, Section 2.2. A.3) regarding the Broadcasters Liability Insurance is the legal liability which radio and television broadcasters are subject to. The Broadcasters Liability Insurance is **not** a requirement.

Please contact Ms. Phyllis Ono-Evangelista, RFP Coordinator; at (808)594-1833 should you have any question. Thank you.