

Office of the Illinois State Treasurer
Michael W. Frerichs

Request for Proposals
Student Investment Account Strategic &
Investment Advisory Services
370-500-20-026

Addendum 1
July 6, 2020

Below are the questions received by the Office of the Illinois State Treasurer (“Treasurer”) and the Treasurer’s responses. Any capitalized terms that are not defined herein have the meaning set forth in the Request for Proposals Student Investment Account Strategic & Investment Advisory Services 370-500-20-026 (“RFP”) published by the Treasurer on June 9, 2020.

1. In section V. Proposal – B. Questions to be Addressed in the Proposal, question #3 asks the Respondent to “identify the members of your firm’s team that will be exclusively dedicated to the Illinois Student Investment Account.” With respect to the use of the word “exclusively”, would entering into a contract to provide the Treasurer with strategic and investment advisory services preclude designated team members from working with other clients on other similar engagements?

Entering into a contract to provide the requested services will not preclude designated team members from working with other clients.

2. In section V. Proposal – B. Questions to be Addressed in the Proposal, question #12 asks the Respondent to “describe the firm’s professional turnover for the last 5 years”. For a large organization, is it sufficient to provide the turnover for only the specific group(s) that would be involved?

Turnover for the division/group who will be responsible for the Student Investment Account is sufficient.

3. In section V. Proposal – B. Questions to be Addressed in the Proposal, question #16 requests information “on each account managed or advised on”. Similarly, question #17 requests information on “the types of accounts and assets managed”. These questions seek information with respect to the Respondent’s qualifications to manage investment portfolios, as opposed to advise on the development of a student loan program. Does the Treasurer seek a firm to both (i) provide strategic and investment advisory services related to the creation and implementation of the student loan and related programs AND (ii) actively invest and manage all or part of the (up to) 5% of the Treasurer's State Investment Portfolio allocated to the Illinois Student Investment Account?

The Treasurer seeks a Respondent that will be able to provide strategic and investment advisory services on the creation, implementation, and maintenance of student loan and

related programs for the selected time period. The selected respondent will not actively invest the assets directly, but rather advise and provide consultation on the issuance of investment capital to service providers, the purchase and sale of loans/investments from/to service providers, and/or the utilization of alternate financing methods to facilitate access to capital or lower the cost of student debt. Advising and consultation includes but is not limited to: portfolio allocations, underwriting standards, service provider evaluations, performance monitoring, and portfolio modeling.