

Request for Qualifications  
Executive Search Firm to recruit the next  
Chief Investment Officer of the Police and Firemen's  
Retirement System of New Jersey  
Issued July 25, 2022  
Questions are to be Submitted by September 16, 2022  
Proposals due 5pm EST October 31, 2022

**Summary:** The Police and Firemen's Retirement System of New Jersey ("PFRSNJ") is issuing this Request for Proposals for the services of an Executive Search Firm (ESF) to assist in the recruitment of an Chief Investment Officer. The ESF shall assist the PFRSNJ Investment Committee in attracting, interviewing, and hiring a Chief Investment Officer. Services include development of a position description and terms of employment, development of recruitment plan, conducting a nationwide search, vetting of qualified candidates, and decision assistance in final selection. The ESF will coordinate its efforts with the Executive Director of the PFRSNJ.

**Background:** The PFRSNJ is a defined benefit retirement system in but not of the treasury department of New Jersey. It provides retirement benefits to approximately 40,000 retirees, and accepts contributions from approximately 40,000 active members. It is the sole retirement system for the local police and fire members in the State of New Jersey. Public Law 2018, Chapter 55 transferred investment management decisions from the State Investment Council to the Board of Trustees for the Police and Firemen's Retirement System. Because of the transition, decision making moved from the Director of the Division of Investments to the Chief Investment Officer of the Police and Firemen's Retirement System of New Jersey.

All of this will require strong leadership especially from PFRSNJ staff. The position of CIO was recently vacated by the resignation of the prior Chief Investment Officer. Given the prior CIO's extensive knowledge of the PFRSNJ's investment program including its traditional fixed income, and equities, as well as alternative investments in real estate, real assets, private equity and private credit, there is a pressing need to hire a new Chief Investment Officer. The PFRSNJ seeks to identify a new CIO.

**Chief Investment Officer Position:** The Chief Investment Officer is responsible for the administration of the PFRSNJ's investment portfolio. The portfolio is approximately valued at \$31 billion dollars. The plan is funded between local and state contributions. The plan is being spun out from the commingled retirement plan administered by the Division of Investments and the State Investment Council. The Chief Investment Officer will be responsible for implementing the Board's approved asset allocation. The Chief Investment Officer will also work with the Board's general and asset class consultants to implement the plan in the best interest for the plan.

**Services Requested:** The PFRSNJ Chairman of the Board seeks the following services to identify a new CIO.

- In collaboration with the PFRSNJ Investment Committee Chairman and Executive Director, develop a job position suitable for a nationwide search that is consistent with Chapter 55 of Public Law 2018, the PFRSNJ's operating statutes, as well as the future needs of the fund.

- Coordinate with the PFRSNJ Investment Committee Chairman throughout the process.
- Conduct a nationwide search to identify a diverse pool of highly qualified individuals to serve as the PFRSNJ CIO.
- In coordination with the PFRSNJ Investment Committee Chairman, develop evaluation criteria to be used.
- Vetting of qualified candidates to identify those both willing and most worthy of consideration; provide those candidates to the PFRSNJ Investment Committee Chairman.
- Development of an executive offer for the most qualified candidate to include benefits and terms of employment. The executive offer will be evaluated by the PFRSNJ Investment Committee as part of the final selection process.

### **RFQ Selection Process Timeline:**

Questions regarding the proposal are due by September 16, 2022. Questions should be emailed to Gregory.Petzold@pfrs.nj.gov  
Proposals are due October 31, 2022 at 5pm EST. Start of work should begin within 30 days.

### **RFQ Submission Requirements**

Proposals should be no more than 15 pages, not including references, and cover the following:

1. Organization Description: Brief history and summary of your firm and expertise.
2. Recruitment Approach: Describe the process to be used to find a successful candidate for the PFRSNJ CIO role. Detail how you will accomplish the above scope of work, including a clear delineation of the firm's responsibilities and the expectations of the PFRSNJ Board. Include any networks to be used on behalf of this search.
3. Deliverables: Delineate how success be measured throughout the process.
4. Proposed Timeline: Estimate the start and end dates for each phase of the search process.
5. Budget: Proposed cost along with narrative description of what is included in this cost.
6. References: Provide two references:
  1. A successful CIO search, where the CIO has been with the organization more than three years. Please provide contact information for both the CIO and, if possible, the board member contact with whom the firm contracted.
  2. A recent (within the past 12 months) CIO placement. Please provide contact information for the CIO as well as the board or staff contact with whom the firm worked most closely.

**Proposals must be sent electronically in a single PDF file to: Gregory.Petzold@pfrs.nj.gov;**  
*Subject Line: Chief Investment Officer Search RFQ.* By submitting a proposal, the firm authorizes PFRSNJ to contact references to evaluate the firm's qualifications for this project.

**Evaluation Criteria:** All proposals will be evaluated based on the following key criteria:

- Performance capability—the extent to which the proposal demonstrates the firm's ability to provide the depth and breadth of experience, skills, knowledge and creativity generally required by this project

- Understanding of and commitment to PFRSNJ's mission, values, programs and strategic objectives
- Demonstrated experience with similar-sized nonprofit organizations
- Completeness and quality of response, including clear deliverables and reasonable approach
- Proposed cost and timeline
- References

While the order of these factors does not generally denote relative importance, PFRSNJ acknowledges that selecting best value providers primarily requires a balanced combination of (1) reasonable rates, (2) strong experience and demonstrated expertise in providing Executive Search Services, and (3) a demonstrated commitment to diversity and inclusion through ownership or existing collaborative relationships.

**Disclaimer:** This RFQ does not commit PFRSNJ to select any firm, award any work order, pay any costs incurred in preparing a response, or procure or contract for any services or supplies. PFRSNJ reserves the right to accept or reject any or all submittals received, cancel or modify the RFP in part or in its entirety, or change the RFP guidelines, when it is in the best interests of the PFRSNJ to do so.

Attachment A

**PFRSNJ CIO Duties and Responsibilities as provided by the Chapter 55 and the Board's Investment Regulations – Illustrative Only – Not final Job Description**

1. The Chief Investment Officer shall be responsible for the management of the plan's assets within the requirements of the Board's Investment Regulations.
2. The plan's assets are split between Common Pension Fund D and E, and include conventional fixed income and equities, and alternative investments.
3. The Chief Investment Officer is appointed by the majority vote of the members of the Board, holds office at the pleasure of the Board, and can be removed by a vote of a majority of the Board.
4. The duties and responsibilities of the Chief Investment Officer shall include, but not be limited to, the following:
  - a) Maintain and direct an adequate staff at the Board's headquarters to do the work of the Board within the limits imposed by the budget;
  - b) Carry out approved programs and conduct such business and correspondence as may be directed by the Board;
  - c) Within the investment policy statement and investment regulations established by the Board and the Investment Committee, set and monitor the asset allocation for the plan;
  - d) Make investment recommendations consistent with N.J.A.C. 17:4A;
  - e) Make investment manager recommendations for the Board;
  - f) Work with other members of the executive staff to ensure the proper administration and funding for the retirement system;
  - g) Work with the Treasury department agencies, including the Division of Investments to ensure the segregation of PFRSNJ assets;
  - h) Assist with financial auditing and reporting;
  - i) Report to the Executive Director of the PFRSNJ;
  - j) Work with other Treasury departments, including the Division of Pensions and Benefits and the Home Mortgage Financing Agency ("HMFA");
  - k) Assist with the accounting for the plan's assets;
  - l) Make alternative investment recommendations, and implement alternative investment portfolio.