

# ARLINGTON COUNTY EMPLOYEES' RETIREMENT SYSTEM

## REQUEST FOR PROPOSALS FOR EXECUTIVE SEARCH FIRM

Executive Director

July 15, 2020

### OVERVIEW & BACKGROUND

The Arlington County Employees' Retirement System (ACERS) was established by the Arlington County Board in 1953 as a defined benefit pension plan for its employees. ACERS is governed by a seven-member Board of Trustees (the "Retirement Board") composed of employees, retirees and appointees by the County Manager and the County Board. There are three substitute trustees.

The Retirement Board and the Executive Director's primary responsibility is the sound management and investment of ACERS' assets. The Retirement Board and the Executive Director have no role in determining the size, type, and administration of retirement benefits. Rather retirement benefit determination and administration are performed by Arlington County Government. As such, ACERS effectively operates as an investment committee.

As of June 30, 2019 (the last available annual audited financial statements), the fiduciary net position was approximately \$2.4 billion. ACERS is financially and actuarially sound with a funded ratio of the actuarial value of assets to actuarial accrued liabilities of 99.9% as of June 30, 2019. Current employer contributions from the County are substantial and consistent with the funding guidelines provided for in the Arlington County Code.

The Executive Director / Chief Investment Officer oversees an office of three employees, including administrative and investment staff. Anticipated salary is low to mid-\$200s. The office is located in Arlington County's primary government building, The Bozman Government Center, in the Courthouse neighborhood in Arlington with access to transit. See attached for a preliminary job description. More information on ACERS can be found [here](#).

### SCOPE OF SERVICES

ACERS is looking to engage an experienced and innovative executive recruitment firm to lead its search for a new Executive Director / Chief Investment Officer. The scope includes development of a written recruitment plan that takes into account the following phases:

- Development and understanding of key objectives:
  - Review of job description, qualifications and compensation
  - Understanding "desired candidate qualifications" via stakeholder interviews, e.g., Retirement Board, ACERS' consultants, current employees, etc.
  - Review of the recruitment market in general for the Retirement Board
- Based on the analysis of ACERS' objectives, development of a targeted strategy for recruitment including the following but also to include any innovative ideas:
  - Advertising strategies

- Personal outreach to candidates
- Strategies to promote the position on social media, professional forums, and industry-specific forums
- Conduct of the initial phase of review of possible candidates, including the development of a short list of candidates for review by the Retirement Board.
- Conduct of a financial background check on finalists, a media check to include social media, and preliminary reference check.
- Coordination and facilitation of the final interview process for the Retirement Board.
- Facilitation of the compensation negotiation for the final candidate with a delegated ACERS Board member.

As part of the written response to the Approach to Scope of Services, please answer the following questions:

1. In your experience, what factors have gone into the most successful recruitment you have led? What factors have led to recruitments that have not been as successful?
2. What are chief investment officers for public pension funds looking for in this market?
3. What is your approach to identifying, accessing, and attracting the most qualified candidates for the position? How has COVID affected your recruiting process?
4. How do you minimize the risk of an unsuccessful hire?

## **TIMELINE**

The current Executive Director has announced his plans for retirement in spring 2021. ACERS would like to have a recruitment firm on board no later than September 15, 2020 so that the search can begin in fall.

July 15 – RFP distributed

July 27 at 2:00 PM – Optional Pre-proposal call to discuss questions from respondents

August 10 – Proposals due

August 20 – Virtual interviews of short-listed firms

September – ACERS approval of selected firm

In light of COVID, we anticipate conducting the selection process for the executive search firm entirely virtually.

## **PROPOSAL DELIVERABLE**

1. Approach to Scope of Services – Provide a brief narrative that describes how your firm would approach the scope of services, including answers to the questions noted above.
2. Key Personnel – Provide the approach to staffing this engagement, including the primary project manager and support staff. Provide a detailed estimate of hours for each individual assigned to the project.
3. Comparable Experience – Provide at least three examples where your firm has successfully led the recruitment of a chief investment officer for a pension fund, endowment, or like fund, including name of fund, assets under management at the time of recruitment, approach to the recruitment, and how long the executive remained with

the fund where he / she was placed. At least one example should be for a public pension fund.

4. Fee Proposal – Provide a detailed fee proposal, including all aspects of proposed compensation including payment terms, placement fee and termination fee.
5. References – Provide at least three references, including contact information.

## **SUBMISSION & QUESTIONS**

A cover letter including the following information will be considered an integral part of the proposal:

- Firm name, address and main phone number
- Statement expressing willingness to perform services described
- Statement that the firm is an Equal Opportunity Employer and complies with the American with Disabilities Act of 1990
- Name, title and phone number of primary person signing the cover letter and a statement that the signer is authorized to bind the firm contractually

Please submit an electronic copy of your proposal to:

Randee Stenroos

Arlington County Employees' Retirement System

[rstenroos@arlingtonva.us](mailto:rstenroos@arlingtonva.us)

Proposals are due no later than close of business 8/10/2020.

Requests for clarification should be directed to Randee Stenroos, via email, at [rstenroos@arlingtonva.us](mailto:rstenroos@arlingtonva.us), and may also be answered at the pre-proposal virtual meeting to clarify questions.

ACERS may reject any or all proposals.

Trade secrets or proprietary information submitted by an offeror in connection with a procurement transaction shall not be subject to public disclosure under the Virginia Freedom of Information Act. However, the offeror must invoke the protection of this section prior to or upon submission of the data or other materials and must identify the data or other materials to be protected and stat the reasons why protection is necessary.