

Project: Investment Advisor Services

Date: June 30, 2015

RE: Addenda # 1

of Pages: 4 pages

The following revisions and/or clarifications are to be made to the proposal documents for **Investment Advisor Services**". They are a result of questions received by close of business by 3:00PM on June 23, 2015:

RFP Response/Answers to RFP Questions

1. Is BPCA interested in considering bids from investment advisors who use a discretionary consulting model or Outsourced (OCIO) service for managing BPCA's investment portfolio?

Answer: Such model appears to be outside of the scope of the primary purpose of the RFP, but BPCA will review and consider any submitted Proposal.

2. What was the motivation for issuing this RFP? Is the incumbent invited to re-bid?

Answer: BPCA is required by law and policy to solicit bids for services upon the expiration of a contract. The current consultant may submit a Proposal.

3. Do you seek material changes in how the portfolio is managed? Are you contemplating a change in strategy?

Answer: BPCA constantly reviews our policies and procedures, and always considers constructive changes.

4. Question 8: by "competitive bids," are you referring to "competitive asks" for bond purchases? If not, are you planning to dispose of any assets in which you would seek competitive bids for the assets being sold?

Answer: Yes, the question refers to the purchase of any allowed investment.

5. Question 10: when recommending investment alternatives, are we to assume we are limited to the *Authorized Investment Securities* outlined in the IPS? To what extent would you consider BPCA's investment policy statement subject to change?

Answer: Yes, recommended investment alternatives should generally be limited to the *Authorized Investment Securities* in the IPS. Proposers may recommend other investment alternatives, but their applicability is likely to be limited.

6. How much appetite exists to take large tactical views (i.e., active bets) on rates?

Answer: BPCA's strategy is to maximize return on investments overtime.

7. Why is there an emphasis on trade tickets, trade settlement, capital changes, income events, etc.? How would projections (as listed in Question 4) be used?

Answer: It has to do with the documentation process in order to be in compliance with BPCA's internal control procedures. Any market report would be used as an added tool to develop short/long term investment strategy.

8. Can you please clarify what is and what is not included in the 10 page limit? Specifically, are the Executive Summary, Discussion of Understanding of the Services Required, and Response to the Question Regarding the Use of New York State Businesses included in the 10 page limit?

Answer: Please see Section VI.A. of the RFP, which lists all items not included in 10 page limit. All other sections, including those referenced in the question, are included in 10 page limit.

9. Will you please confirm that this will be a Discretionary Portfolio Management assignment, wherein a firm manages the portfolio(s) on behalf of the Authority, with a high level of client service, rather than a Non-Discretionary assignment, where the Authority manages the portfolio(s) in-house with oversight / guidance from an Investment Manager?

Answer: All investments are made on the approval of BPCA in accordance with its policies.

10. Is it the Authority's intention to hire 1 manager, or to split the mandate among more than one managers?

Answer: Traditionally, BPCA hires one manager, however, we would not exclude the possibility of more.

11. Would you please confirm that the Diversity Forms referenced in Section D, #5 are the MBE/WBE AND EEO POLICY STATEMENT include at the end of the RFP.

Answer: Complete and include both the MBE/WBE and EEO Policy Statement attached at Exhibit B of the RFP, and all the Mandatory Forms, which include a MBE/WBE and diversity component.

12. Who is the current consultant?

Answer: PFM Asset Management

13. Is the current consultant allowed to bid on this RFP?

Answer: Yes.

14. Is there anything you would like the new consultant to do differently, improve and/or provide additional services?

Answer: BPCA constantly reviews our policies and procedures, and always consider constructive changes.

15. What were the annual dollar amount of fees that were paid for the last two (2) years to the current or previous consultants for these services?

- a. What was their flat annual fee for the performance of all the required services?

Answer: N/A

- b. What was a capped, maximum annual fee for all services rendered in relation to the contract?

Answer: N/A

- c. What was the hourly rate for performance of additional services for each category of personnel?

Answer: N/A

- d. Can you please provide the types and scope of additional services that were provided during the last contract cycle and the total dollar amount of fees it represented?

Answer: The Cost Proposal asks for hourly rates for performance of unanticipated additional services beyond those described in the Scope of Work but best performed by the consultant.

16. What brokerage platform and/or custodian is being used for the current plan? Would BPCA entertain changing the custodian (brokerage platform) for the account assets?

Answer: Bank of New York. BPCA has the option to change the custodian upon notice, but there is no intention to do so at this time.

17. Is there an MBE firm working under the current contract? If yes, please, provide the name of the firm and a description of services provided.

Answer: No.

18. Would the Battery Park City Authority consider a proposal which, while satisfying the Scope of Work outlined in Exhibit A, includes external discretionary investment management of the entire portfolio?

Answer: All investment are made on the approval of BPCA in accordance with its policies.

By signing the line below, I am acknowledging that all pages of the addenda has been received reviewed and understood, and will be incorporated into the bid price submitted. This document must be attached to the proposal for consideration.

Print Name

Signature

Date

Number of pages received: _____ <fill in>

Distributed to: All present and all prospective Proposers