



**REQUEST FOR INFORMATION # 30901-60324
 AMENDMENT # 1
 FOR ALTERNATIVE INVESTMENTS INFORMATION
 MANAGEMENT**

DATE: May 15, 2024

RFI # 30901- 60324 IS AMENDED AS FOLLOWS:

1. This RFI Schedule of Events updates and confirms scheduled RFI dates. Any event, time, or date containing revised or new text is highlighted.

EVENT		TIME (Central Time Zone)	DATE (all dates are State business days)
1.	RFI Issued		April 26, 2024
2.	Written "Questions and Comments" Deadline	2:00 p.m.	May 7, 2024
3.	Notice of Intent to Respond		May 13, 2024
4.	State Response to Written "Questions and Comments" Deadline		May 15, 2024
5.	RFI Response Deadline	2:00 p.m.	May 31, 2024
6.	Scheduling of Presentations (if necessary)		June 18, 2024
7.	Presentations by Respondents (if necessary)		June 24 – July 12

2. State responses to questions and comments in the table below amend and clarify this RFI.

Any restatement of RFI text in the Question/Comment column shall NOT be construed as a change in the actual wording of the RFI document.

QUESTION / COMMENT	STATE RESPONSE
1 If this RFI greenlights a solicitation, what is the estimated timeframe for procurement?	Ideally, any procurement would be issued within a few months of the completion of the RFI process.
2 What is the anticipated contract value?	There is no specific budget for this installation. The State is gathering information at this juncture.

QUESTION / COMMENT	STATE RESPONSE
3 Please provide the breakdown of funds per asset class (i.e., how many hedge funds, how many private equity funds).	Of the 300 investments mentioned in the RFI, TCRS has a handful of open-ended, commingled fund commitments. It also has about 20 single investor fund commitments, half of which are structured as LLCs and the rest as single investor GP/LP structures. The remaining investments are traditional commingled drawdown closed end fund commitments.
4 Are there any co-investments or direct investments? If so, how many?	The plan has four managed accounts that hold roughly 60 direct investments in real estate properties.
5 Please provide information on the overall portfolio (typical commitment size, current NAV).	The alternatives portfolios have roughly \$24 billion in NAV. Typical commitment size is \$150 million.
6 How many people are on the investment team?	There are ten State employees dedicated to the alternatives portfolios.
7 Are investment team members generalists or specialists?	The alternatives team members are dedicated to one of the three alternatives asset classes: Private Equity, Strategic Lending and Real Estate.
8 How does the team source investment opportunities today?	The team uses a mosaic approach for sourcing investment opportunities: peers, conferences, existing GPs, consultants, etc.
9 How does the team handle cash flow forecasting/modeling today?	The team utilizes internally managed Excel-based models and support from models developed by consultants.
10 Is there an incumbent provider?	Yes
11 What does the current tech stack look like?	The State is currently utilizing cloud-based resources to access these services.
12 What is the timeline for implementation?	Ideally, the State would target implementation in summer 2025 to avoid a gap in service.
13 Are there certain features that are considered more crucial than others? I.E., nice to haves vs. need to haves?	Need-to-haves would be: performance monitoring, distributions and contribution tracking, documents and notes capture, diligence pipeline, CRM functions, activity calendars. The other items mentioned in the RFI would be nice-to-haves.
14 Of the ~300 alternative investment positions stated in the RFI, how many specific GP's make up those positions? Of those GP's, will you require Fund look-through capabilities for all of them. If not, how many do you require?	There are just under 100 relationships across the portfolios. The vast majority would need look-through capabilities, 80 most likely.

QUESTION / COMMENT	STATE RESPONSE
15 What's your current technology platform in place to manage your portfolio of alternative investments?	Dynamo Software is the incumbent platform.
16 What are the pain points that are leading you to issue this RFI?	Generally, the State engages in a competitive procurement every five (5) years to ensure the State is contracting for the most competitive services and cost. That is the reason for issuing this RFI.
17 Roughly what percentage of your portfolio is for real estate investments as opposed to non-real estate? For real estate investments, what type of real estate are they? Commercial, multifamily, single family, etc?	About one-fifth of the alternatives portfolio is direct real estate holdings. They are a mix of commercial and multifamily.
18 What kind of property-level data do you need to track, such as occupancy level and operating financials? Or do you only need to track fund level information such as capital, cash flow and returns?	The more detailed information that can be tracked with the system, the better. The collection and maintenance of Fund-level information is baseline information. The collection and maintenance of Property-level information including: leverage, cap rate, discount rate, occupancy, cash flows, etc. would be bonuses.
19 Is there an incumbent provider for these services? What platform/systems do you currently use to track this data?	See answer to question #15, above.
20 Are there any specific functions or features that you're looking for that are not currently being provided or need improvement?	The State values efficiencies that might be provided through automated document retrieval and data capture as opposed to manual methods. Also, from an accounting standpoint, it would be beneficial to have the capability to parse out each cash flow into the various accounting related accounts. (e.g. expense, return of capital, fees, gain/loss, carried interest, etc.)
21 There has been ~100 new alternative positions since the prior RFI. Is the expected growth rate for the alternatives portfolio expected to be similar over the following years.	Unlikely, as all three portfolios have reached their strategic allocation targets.
22 Would you please provide a breakdown of the 300 alternative investment positions in all asset classes (Funds, Co-Investments, Direct Asset, etc.)?	See the answer to question #3, above.
23 What is the expected onboarding timeline? Are there any key milestones that need to be factored?	See the answer to question #12, above.
24 Do you have access to all historical data? Are there any gaps in the data that you require assistance with?	There are no gaps in data.

QUESTION / COMMENT	STATE RESPONSE
25 On question 10, "Are the Platform's servers secure and located in the United States?", is this a requirement for vendors?	Yes, it's a requirement.
26 If a party submits a response to the RFI, will its content remain confidential if the State of Tennessee proceeds with the procurement process? If not, can we redact proprietary information after submission to prevent it from becoming public? Section 5 is ambiguous on this point.	No. The RFI responses will not remain confidential if the State proceeds with a procurement. Respondents may not redact after submission.
27 In the evaluation of the RFI, does the Department of Treasury consider the CRM capabilities to be a must-have feature, or are they viewed as a nice-to-have addition?	See the answer to question #13, above.
28 Will The Department be looking for a wholistic system that can scale beyond an Alternative Asset Platform into providing a middle and back-office solution for the Investment Operations and Investment Accounting?	The State is interested in evaluating a more fulsome offering that could provide those services for the Alternatives portfolios, subject to cost and coverage, including accounting related functions to help with the daily transaction reconciliation process within the platform.
29 Please explain the current target operating model for The Department and would that include a solution that provides a comprehensive view of the total plan (Public and Private Assets, Internally and Externally manage funds)?	The State is only searching for a solution for its Alternatives portfolios, not its traditional asset classes.
30 Will the Department be looking for a technology company to create a long-term partnership?	Standard State contracts are typically five years in length, at which point they are subject for review.
31 Is there an interest for a Hybrid Operating Model that provides a SaaS Investment Book of Record (IBOR) powered by Simcorp's business services for: Data Management Services, Investment Operation Services, and Investment Accounting Services?	There would have to be a review of these services to determine interest.
32 As a part of our partner ecosystem, our platform is natively integrated with Intelligent Document Processing companies like ALKYMI, accelex and DealCloud's CRM. Would you like more details on how we leverage these partners with our Alternative Asset Investment Platform?	Yes.
33 For Alternative Assets, are you interested in Optimizing portfolio allocations?	Yes.

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<p>34 What system is used to generate General Ledger (GL) entries for Alternative Investment activities?</p>	<p>Currently, the GL entries for alternatives are done through State Street. The Treasury Department also maintains spreadsheets in house and reconciles activity daily for comparison to the GL entries from State Street. The goal is to identify a system to act as an internal accounting book of record in order to reconcile daily transactions and with reporting capabilities that will eliminate the manual process.</p>
<p>35 Do you currently hold Private Debt Bank Loans?</p>	<p>Not directly.</p>
<p>36 Per question 6. n. Ability to track monitoring activities and link them to relevant entities: Please provide examples of what kind of activities are in scope to monitor?</p>	<p>Meetings and resultant notes, documents and presentations, etc.</p>
<p>37 Requirements Question: Are you open to a joint application from vendors given the broad scope of Data, Portfolio Analysis/ reporting, and CRM functionality?</p>	<p>The State is open to a respondent using subcontractors.</p>
<p>38 Requirements Question: Would a vendor solely focused on capturing schedule of investment data, and information at the total fund level (not LP investor specific accounting data), be considered to feed whichever portfolio monitoring, ABOR, and CRM system/s you move ahead with?</p>	<p>Unlikely, see the answer to question #13.</p>
<p>39 Requirements Question: Are the functions in question 6 in priority order?</p>	<p>The functions in Question #6 are not listed in priority order.</p>
<p>40 Requirements Question: If an applicant doesn't have portfolio analysis capabilities, would they be considered? E.g. a lack of cash flow forecasting</p>	<p>Yes.</p>
<p>41 Requirements Question: How essential is the ability to capture investor specific cashflow data? (6G,6J, 6M,6Q)</p>	<p>The State desires this functionality, but it is not required.</p>
<p>42 Requirements Question: Is generating recurring portfolio and fund reports essential functionality, or could the data we collect be delivered into a system/ process that performs that function? (8A,</p>	<p>These are core requirements.</p>

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8B, 8C) e.g, some clients of our feed data into proprietary Excel reports or third party software solutions.	
43 Requirements Question: Is having a mobile app essential?	No.
44 Clarification Question: What third party data providers are important to you for us to connect to, and what data were you hoping a system would collect from these? (6B)	The ability to input/export transaction (cash flows, NAVs) data via delimited files over an FTP connection, GP portals for extraction of fund documents, and potentially connecting to financial data vendors (Bloomberg, Factset, etc.) for price quotes or news.
45 Clarification Question: Where is the data on the invested funds you're monitoring stored and surfaced today, and what is the desired solution in terms of a new interface vs a data feed into an existing analytical / reporting system?	The data is stored in an installation of the Dynamo Software platform. See the answer to Question #44, above.
46 Portfolio Overview & Cost Informational Form: How many of the positions in your portfolio are Fund investments vs direct e.g. direct real estate?	See the answer to question #3, above.
47 Portfolio Overview & Cost Informational Form: How many of the funds in your portfolio are co-investments?	See the answer to question #3, above.
48 Portfolio Overview & Cost Informational Form: Will you be able to share an invested fund list with those responding?	The State feels it's unnecessary to share fund-level information at this juncture, as it is just gathering information on potential vendors.
49 Portfolio Overview & Cost Informational Form: What data is it essential to capture on the underlying assets, held with your invested fund vehicles?	Name, Sizing, Sector, Region and Currency are of greater value. Some managers provide more detailed data such as leverage levels, etc.
50 Please provide the breakdown of funds per asset class (i.e., how many hedge funds, how many private equity funds). Are there any co-investments or direct investments? If so, how many? a. Are there multiple investing entities/portfolios that make up the Department of Treasury? Or is there	See the answer to question #3, above. Just one investing entity.

QUESTION / COMMENT	STATE RESPONSE
generally one investing entity for the 300 positions?	
51 How many people are on the investment team? Are the team members asset class specialists or generalists?	See the answer to question #7, above.
52 Is there an incumbent provider for any aspects of this RFI? If possible, please provide detail on any current providers or technology used.	See the answer to question #15, above.
53 Assuming the team moves forward, what is the ideal timeline for implementation?	See the answer to question #12, above.
54 Are there certain features that are considered more crucial than others? I.E., nice to haves vs. need to haves?	See the answer to question #13, above.
55 There are multiple aspects to this RFI in terms of requirements. To the extent known at this time—if the team pursues a solution, would a joint bid and/or multiple providers (to cover different requirements for the RFI) be considered?	See the answer to question #13, above.
56 Is the investment team bifurcated by asset class or any other means?	See the answer to question #7, above.
57 How do the front and middle and back-office teams collaborate today? Is there a single platform or is data in multiple systems?	Yes, the teams collaborate. There are data in multiple systems.
58 Please further define “monitoring activities” as it relates to 6 (n).	See the answer to question #36, above
59 Regarding 6 (q) could you please provide the expectations for “reconcile management fees and carried interest (paid and accrued).”? Is it a recalculation of the fees and carried interest?	Yes, given a fee schedule, what would the plan have expected to pay in fees and carry during the year.
60 Can responses include third party integrations/joint bids as part of the solution to meet all requirements?	See the answer to question #37, above
61 Can you provide a list of all the Alternatives positions, including market value.	See the answer to question #48, above

3. **RFI Amendment Effective Date.** The revisions set forth herein shall be effective upon release. All other terms and conditions of this RFI not expressly amended herein shall remain in full force and effect.