

## AGENDA ITEM 11.

### SELECTION OF *COLLEGE ILLINOIS!* INVESTMENT MANAGER

**Submitted for:** Action

**Summary:** A recommendation is being made for the selection of a new investment manager for the agency's prepaid tuition program, *College Illinois!*. The Commission initially approved the selection of a domestic core fixed income manager in April of 1999. The contract and all renewals for that manager have now expired and, in accordance with procurement guidelines, a Request for Proposals (RFP) was issued to secure the services of a money manager for this mandate.

The RFP was published on the Internet and numerous money managers nationwide were notified that it had been published. Watson Wyatt Investment Consulting provided assistance with the development of the RFP and the notification of possible respondents. The result was that fourteen firms responded to the domestic core fixed income manager request.

Watson Wyatt initially proposed weighted criteria by which the proposals would be evaluated, as well as a specific procedure to be followed in the evaluation process. Watson Wyatt consultants analyzed each proposal according to the criteria agreed on with ISAC staff, and compiled a summary report of their analysis ranking the firms that responded to the RFP for further consideration by the Evaluation Committee consisting of five top-level ISAC staff, and Commissioner Richard Neumiller.

The Evaluation Committee met with a representative of Watson Wyatt in early March and agreed to invite four of the manager candidates to give oral presentations to the committee. The presentations took place on March 11<sup>th</sup> in ISAC's Deerfield offices. Following the presentations, the Evaluation Committee ranked the firms and subsequently shared its conclusion with the Chairman. A recommendation will be presented to the full Commission at the meeting on June 23<sup>rd</sup>.

A representative from the recommended firm has been invited to attend the Commission meeting.

**Action requested:** A motion incorporating the recommendation will be presented to the Commission for action at the meeting.