



CITY OF *Los Angeles*

DEFERRED COMPENSATION PLAN (DCP)

Board Report 19-13

Date: April 16, 2019

To: Board of Deferred Compensation Administration (Board)

From: Staff

Subject: Stable Value Fund Investment Management Services
Request for Proposal (RFP)

Board Members

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Recommendation:

That the Board (a) approve and authorize release of RFP for Stable Value Fund Investment Management Services, subject to final approval as to form by City Attorney; and (b) approve execution of the “Pledge Form Regarding Conflict-of-Interest, Confidentiality and Proposer Communications” for all Board members and City staff involved in the Stable Value Fund procurement process.

Discussion:

A. Background

At its **July 17, 2018** meeting, the Board considered a report from staff regarding upcoming investment manager searches for the DCP investment menu and a 2018-19 investment manager search plan. On **September 17, 2018**, the Investments Committee met to consider recommendations from staff and Mercer Investment Consulting (Mercer) with respect to fund search types and search criteria for each investment mandate. On **October 16, 2018**, the Board adopted recommendations from the Investments Committee with respect to fund search types and search criteria to be applied to each investment mandate. On **March 19, 2019**, the Board received and filed a report from staff providing an investment manager search update and indicating that staff would present a draft RFP for Stable Value Fund Investment Management Services for the Board’s approval at its April 16, 2019 meeting. Staff further indicated that the term of the incumbent provider expires June 30, 2020.

B. Request for Proposal Design and Content

Staff and Mercer have prepared a draft RFP (**Attachment A**). Staff recommends that the Board adopt and authorize release of the RFP. The RFP includes the following essential components:

(1) Plan Profile & Scope of Services

In each of the Board's procurements, it is essential to be as transparent as possible with prospective RFP respondents about the design, services, and features of the DCP, as well as the services included within a particular search process.

(2) RFP Questionnaire

DCP RFPs typically include both a questionnaire as well as what have previously been called "performance exams" (now re-titled as "engagement exercises" in order to more accurately reflect the nature of the interactions) as methods of inquiry to exchange information with RFP respondents. The questionnaire requests information in various narrative or table-driven formats and represents the most substantial portion of the means by which the City will compare and assess, qualitatively and quantitatively, each provider's services and capabilities. Engagement exercises provide opportunities to further assess a vendor's resources, philosophy, and skills on specific services included in the written proposals. For this RFP, an engagement exercise will be used to explore each proposer's resources and investment approach. Each proposer that has been determined to have submitted a proposal responsive to the City's general contracting requirements would participate in the engagement exercise.

(3) RFP Evaluation Categories

Proposed evaluation categories and weightings are included in the "Evaluation" section of the RFP.


(4) Evaluation Panels and Process

Staff will perform evaluations of the proposals with technical support provided by Mercer. Upon completion of its review and analysis, the review panel and Mercer will present a report to the Board with findings and recommendations for selection.

C. Procurement Schedule

In certain prior procurements, Board members and staff have executed a Pledge Form regarding conflict of interest, confidentiality, and proposer communications. The intent of this document is to provide additional demonstration and documentation of Board/staff member diligence in observing the provisions of the Board's Governance Policies/Bylaws relative to procurements. The Pledge Form was recently reviewed with and updated by staff and Board counsel (**Attachment B**). Staff recommends that the Board approve execution of the "Pledge Form Regarding Conflict of Interest, Confidentiality and Proposer Communications" for all Board members and City staff involved in the procurement process. An updated procurement schedule is included as **Attachment C**.

Submitted by:


Isaias Cantu

Approved by:


Steven Montagna

REQUEST FOR PROPOSAL (RFP)
STABLE VALUE FUND
INVESTMENT MANAGEMENT SERVICES

City of Los Angeles Deferred Compensation Plan (DCP)
CITY OF LOS ANGELES
Personnel Department - Employee Benefits Division
On behalf of the Board of Deferred Compensation Administration

Date Issued: _____, 2019

TITLE: **STABLE VALUE FUND INVESTMENT MANAGEMENT SERVICES FOR THE CITY OF LOS ANGELES DCP**

CONTRACT TERM: **Five years**

MANDATORY PRE-PROPOSAL CONFERENCE:

_____, 2019
1:00 p.m. – 3:00 p.m.

City Hall
200 North Spring Street, Room 805
Los Angeles, CA 90012

PROPOSAL DELIVERY ADDRESSES:

City of Los Angeles
City of Los Angeles
Personnel Department
Employee Benefits Division
Attention: Isaias Cantú
Los Angeles City Hall
200 North Spring Street, Room 867
Los Angeles, CA 90012

Mercer Investment
Attention: Devon Muir, CFA, Principal
333 S 7th St, Suite 1400
Minneapolis, MN 55402

DEADLINE FOR SUBMITTING PROPOSAL: _____, 2019 at 3:00 p.m.

CITY CONTRACT ADMINISTRATOR:

Isaias Cantu, Senior Management Analyst
Phone (213) 978-1627
Email: Isaias.Cantu@lacity.org

PART A

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SECTION 1

INTRODUCTION/BACKGROUND

1.0 INTRODUCTION

The City of Los Angeles Deferred Compensation Plan (DCP) is seeking proposals for stable value investment management services for the DCP Stable Value Fund (“the Fund”). The DCP is a non-qualified tax-deferred savings program established in 1983 under IRC Section 457 and City of Los Angeles Administrative Code, Division 4, Chapter 14, Sec. 4.1400-4.1410.

1.1 BACKGROUND

The Board of Deferred Compensation Administration (“the Board”) administers the DCP. The nine-member Board includes three elected employee representatives from the Los Angeles City Employees’ Retirement System (“LACERS”), Fire and Police Pension System (“Pensions”), and Department of Water and Power Retirement DCP (“DWP Retirement”); the LACERS General Manager; the Pensions General Manager; the DWP Retirement Manager; a certified Union Representative; a retired participant representative; and the Personnel Department General Manager. The Board has administrative responsibility, including contracting authority, for the DCP.

As of December 31, 2018, the DCP had \$5.8 billion in assets (not including loans outstanding) and 46,899 participants. Assets invested in the Stable Value Fund were \$1.2 billion.

The Personnel Department's Employee Benefits Division provides primary staff support for the DCP. Employee Benefits staff perform the following functions:

- Develop policy and DCP design recommendations;
- Function as liaison to DCP contracted service providers;
- Administer all DCP-related contracts; and
- Facilitate all aspects of employee participation in the DCP

The Office of the City Attorney serves as the Board’s legal counsel and provides legal support for the DCP which includes reviewing procurements and contracts, ensuring compliance with State and federal laws, and providing guidance in regard to various administrative functions such as processing beneficiary claims and Qualified Domestic Relations Orders (QDROs).

The City contracts with Voya Institutional Plan Services (“Voya”) for DCP recordkeeping, enrollment and communication services. The City independently selects the investment options for the DCP, all of which are administered by Voya. These

options are held as mutual funds, separate accounts, commingled trusts, and bank deposit accounts. The DCP is trusted by Voya Institutional Trust Company.

Mercer Investment provides investment consulting to the DCP. Included among these services are ongoing performance review, procurement assistance, and investment menu design.

1.2 DEFINITIONS OF TERMS

The following terms used in the RFP documents shall be defined as follows:

- **“The Board”** means the City of Los Angeles Board of Deferred Compensation Administration.
- **“The City”** means the City of Los Angeles.
- **“Agreement”** shall be considered synonymous with the term “Contract.”
- **“City Contract Administrator”** means the City staff person serving as the primary point of contact for this RFP as identified on page one of this RFP.
- **“Contract Effective Date”** means the date, mutually agreed upon between the Contractor and City, that the Contractor begins performing services for the City.
- **“Contracting Authority”** means the City of Los Angeles Board of Deferred Compensation Administration.
- **“Contractor”** means the individual, partnership, corporation or other entity to which a contract is awarded, and shall be synonymous with the term “Vendor.”
- **“DCP”** means the City of Los Angeles Deferred Compensation Plan, established pursuant to Section 457 of the Internal Revenue Code (“IRC”).
- **“Employee Benefits”** means the Employee Benefits Division of the City of Los Angeles Personnel Department.
- **“Fund”** means the DCP Stable Value Fund.
- **“Go-live Date”** means the beginning date that services are provided to the City and the fund first receives participant assets.
- **“Investment Policy Statement”** means the Investment Policy Statement adopted by the Board of Deferred Compensation Administration for the DCP and which defines the objectives and guidelines for the DCP’s investment options.
- **“Mercer”** means Mercer Investment, a consultant for the DCP.
- **“Pre-Proposal Conference”** means the conference held between the City and prospective Proposers to provide information regarding RFP requirements and answer questions regarding the RFP.
- **“Proposer”** means a respondent to this RFP.
- **“RFP”** means this Request for Proposal.
- **“TPA”** means Third-Party Administrator.
- **“Voya”** means Voya Institutional Plan Services.

1.3 CONTRACT TERM

The term of any contract(s) awarded pursuant to this RFP shall be for a period of five years from the contract effective date as provided for by the final contract, subject to the termination provisions therein.

1.4 RFP CONTENTS

The contents of this RFP are as follows:

1.4.0 Part A

RFP, including the DCP Profile & Scope of Services, Proposal Questionnaire, Proposal Format and Submission Requirements, Evaluation of Proposals, and General Terms & Conditions.

1.4.1 Part B

General Contracting Requirements and Attachments, which includes the City of Los Angeles Standard Provisions for City Contracts (Rev. 10/17) and other general contracting requirements that must be reviewed and completed by Proposers as specified in order for a proposal to be deemed responsive.

1.5 RFP CONTACT INFORMATION

The Board and Personnel Department staff are committed to ensuring that all DCP business transactions, including DCP procurement processes, are based strictly on integrity, competence, merit and benefit to DCP participants and their beneficiaries. As a matter of policy, Board members and staff will not communicate with current or prospective vendors or their representatives, or any other person or organization, for the purpose or intent of having a particular vendor secure or maintain a contract or business with the DCP, or otherwise realize financial gain from the DCP, whether during or outside of a procurement process.

In support of this, and to ensure the transparency and objectivity of this procurement process, all communications and questions regarding or related to the services included in this RFP should be directed as follows:

1.5.0 Part A Contact Information

All questions regarding this RFP PART A must be in writing and should be directed to the City Contract Administrator as follows:

Personnel Department, Employee Benefits Division

Attention: Isaias Cantú

Email: Isaias.Cantu@lacity.org

Phone: (213) 978-1627

1.5.1 Part B Contact Information

All questions regarding this RFP PART B must be in writing and should be directed both to the Contract Administrator and the Personnel Department's Administrative Services Division staff as follows:

Personnel Department, Administrative Services Division

Attention: Michael Daco

Email: michael.daco@lacity.org
 Phone: (213) 473-9195

Questions regarding certain General Contracting Requirements may also more appropriately be directed to the City department responsible for the particular requirement, as specified within the Part B materials.

1.6 PROPOSAL TIMELINE AND MANDATORY PRE-PROPOSAL CONFERENCE

The Board intends to award a contract, in a form approved by the City Attorney, to the selected Proposer. Written proposals submitted to the City constitute a legally binding contract offer and shall remain open for twelve months. It is requested that proposals be prepared simply and economically, avoiding the use of unnecessary promotional material. If a Proposer is deemed non-responsive during the proposal process the Proposer will be eliminated from further consideration.

1.6.0 Proposal Timeline

The following is the current timeline for the RFP process. The City reserves the right to adjust this schedule. Changes to the timeline, if any, will be posted online as an RFP Addendum.

Proposal Dates	Event
_____, 2019	RFP released
_____, 2019	Deadline for receiving written questions for the Pre-Proposal Conference is 4:00 p.m.
_____, 2019	Deadline to register to participate in the Pre-Proposal Conference by telephone is 4:00 p.m.
_____, 2019	Mandatory Pre-Proposal Conference at 11:00 a.m. Pacific Standard Time
_____, 2019	Deadline for receiving written questions regarding the RFP is 4:00 p.m.
_____, 2019	General Contracting Requirements preliminary submission deadline
_____, 2019	Deadline for vendors to issue written solicitations to subcontractors via www.labavn.org website. This step must be completed by 11:59 p.m. Pacific Standard Time to avoid risk of late submission.
_____, 2019	City Review of General Contracting Document due to vendor by this date
_____, 2019	RFP responses due by 3:00 p.m. Pacific Standard Time
_____, 2019	Business Inclusion Program (BIP) Summary Sheet submission on Los Angeles Business Assistance Virtual Network (LABAVN) – 4:30 p.m. Pacific Standard Time
_____, 2019	RFP evaluations
_____, 2019	City makes selection and begins contract negotiation with successful Proposer
_____, 2019	Deadline for executing contract

1.6.1 Mandatory Pre-Proposal Conference

A mandatory Pre-Proposal Conference will be held to provide information regarding the RFP requirements and answer questions from prospective Proposers regarding this RFP. The Pre-Proposal Conference will also give Proposers and potential subcontractors the opportunity to network. City staff will not provide assistance regarding a Proposer’s individual RFP response.

The Pre-Proposal Conference has been scheduled pursuant to the schedule noted in the Proposal Timeline. Potential Proposers may participate by physically attending or by calling in. Participants will be asked to identify themselves by name and firm.

If you intend to participate by telephone, please pre-register by contacting the City Contract Administrator by the deadline noted in the Proposal Timeline. The City will provide a call-in number at that time for those interested in participating by telephone. Attendance will be taken at the **beginning** and **end** of the Pre-Proposal Conference. Proposers attending by phone must remain for the duration of the Pre-Proposal Conference. Failure to attend and remain through the end of the Pre-Proposal Conference will result in your firm being deemed non-responsive and ineligible to submit a proposal in response to this RFP.

It is to your benefit to bring your own copy of the RFP, particularly the City’s General Contracting requirements, to the conference. No copies will be provided at the conference.

1.6.2 Questions Regarding the RFP

To maximize the effectiveness of the conference, to the extent possible, Proposers should provide questions in writing prior to the Pre-Proposal Conference in accordance with the deadline noted in the proposal timeline. This will enable the City to prepare responses in advance.

All questions concerning the RFP should be submitted in writing via e-mail to the City Contract Administrator. Please identify the RFP title on the subject line of your message. All questions should identify the RFP section and page number, or the relevant General Contracting provision, for each question submitted. Additional questions may be accepted and addressed at the Pre-Proposal Conference. However, certain responses may be deferred and posted online as addenda to the RFP at a later date.

The City will make every effort to respond to all written questions as soon as practical. All questions and responses to questions, or any other changes to or interpretation of the RFP, will be posted online at www.labavn.org. Any such changes or interpretations shall become a part of this RFP and may be incorporated into any Contract awarded pursuant thereto.

1.7 GENERAL CONTRACTING REQUIREMENTS PRE-SUBMISSION OPTION AND SUBMISSION DEADLINES

The City's General Contracting Requirements are included in Part B, which is attached hereto. Part B contains the Standard Provisions for City Contracts (Rev. 10/17) and a variety of documents and forms with which prospective City vendors must demonstrate compliance in order to be awarded a City contract.

Within Part B is a list of requirements that must be fully met, including forms to be completed and submitted and details regarding certain processes which must be followed by prospective vendors as part of their RFP response. **Failure to meet any of these requirements to the satisfaction of the City by the RFP Proposal Submission Deadline may result in disqualification of the vendor's proposal as being non-responsive and eliminate the proposal from further consideration in the evaluation process.**

The City will provide vendors an opportunity to demonstrate responsiveness to the City's General Contracting Requirements at a date prior to the RFP due date.

Vendors are not required to complete and submit their General Contracting Requirements forms and processes by the Preliminary Submission Deadline; however, it may be to their advantage to do so. If a vendor utilizes this option, City staff will identify whether the documents as submitted are or are not responsive to the City's requirements. If deemed non-responsive, the vendor will have time to demonstrate responsiveness by no later than the RFP Proposal Submission Deadline. Failure to adequately demonstrate responsiveness to the City's General Contracting Requirements, or a rejection by the vendor of those requirements or the Standard Provisions for City Contracts (Rev. 10/17), will result in disqualification of the proposal and shall eliminate the proposal from further consideration in the evaluation process. The relevant dates with respect to this process are included in the proposal timeline.

1.8 PROPOSAL SUBMISSION DEADLINE

Response to this RFP must be submitted on paper and electronic copy and must be received by the City Contract Administrator by the deadline noted in the proposal timeline. Electronic portions, as specified further in this RFP, must be received no later than this date/time as well. **Late responses (i.e. proposals received after the proposal submission deadline) will not be considered.** The City reserves the right to extend the proposal submission deadline should this be in the interest of the City.

1.9 CONSULTANT RESPONSE INFORMATION

Responses to this RFP must also be submitted at the same time on paper and electronic copy to the consultant used by the City in the evaluation of responses to this RFP. Delivery should be provided by the proposal submission deadline to:

Mercer Investment

Attention: Devon Muir, CFA, Principal

333 S 7th St, Suite 1400

Minneapolis, MN 55402

devon.muir@mercerc.com

SECTION 2

DCP PROFILE & SCOPE OF SERVICES

2.0 DCP OVERVIEW & MISSION STATEMENT

The DCP is a tax-advantaged supplemental retirement savings program established in 1983 under Internal Revenue Code (IRC) Section 457 and by City of Los Angeles Administrative Code, Division 4, Chapter 14. All DCP assets are held in trust for the exclusive benefit of participants and their beneficiaries. The mission of the City's DCP is to assist eligible City employees in achieving retirement income security.

2.1 ORGANIZATIONAL STRENGTH

2.1.0 Organizational Background and Reliability

The City will be evaluating each Proposer's organizational experience, stability, financial strength, experience in providing services to governmental defined contribution plans, staff qualifications and turnover, and other factors to assess how organizations are resourced to be long-term viable partners with the City in executing the DCP's mission, goals and strategies, and the specific services included within this RFP.

2.1.1 Regulatory and Contractual Actions

The City will review each Proposer's status as to regulatory agency complaints, client legal actions, contract terminations, bankruptcy filings, and conflicts of interest, as part of assessing its reliability and institutional viability.

2.1.2 Client Reviews

The City will be contacting current and former clients provided by each Proposer, including governmental DCP sponsors and other clients who are currently utilizing the provider's services as well as those who have terminated those services in the recent past.

2.2 SCOPE OF SERVICES

2.2.0 Investment of Assets

The Contractor shall invest the assets deposited to the Fund by DCP participants. The investment manager must manage the liquidity of the Fund to provide book value payments on a daily basis. The selected Contractor shall assume investment discretion for the selection, retention or replacement of the investment strategies utilized to invest the assets of the Fund. These underlying strategies may be either proprietary or non-proprietary.

The investment manager chosen to provide these services to the City shall select, monitor and replace, if necessary, the wrap providers who will wrap the Fund's investments on a book value basis.

2.2.1 Creation of Reports

The Contractor shall provide, or assist in the creation of, a daily net of fee unit value to the DCP's administrator. The selected investment manager shall provide on a monthly basis to the DCP's custodian and administrator financial statements showing opening balance, contributions, investment earnings, withdrawals, fees and closing balance. The Contractor shall provide quarterly reports detailing the Fund's crediting rate determination and fees.

2.2.2 Presentations to Board

The Contractor shall be required to attend one or more Board meetings annually to present Fund performance reviews.

2.3 MINIMUM QUALIFICATIONS

- The institution must be qualified to do business in the State of California and must be registered under the appropriate State and federal securities and/or insurance laws.
- The institution must have at least ten years of experience performing stable value investment manager services.
- The institution must have at least \$15 billion assets under management in stable value.
- The institution must be a SEC-registered investment advisor or exempt from registration.
- The institution will assume a fiduciary role for providing discretionary stable value investment manager services for the Fund consistent with the investment guidelines included in this section.
- The institution must not have been involved in any litigation with or investigation by a federal or State security/insurance agency that could be deemed substantive by the City. This would include expropriation of funds, insider trading, front running, or undisclosed derivatives or leverage.
- The institution must not be a broker or any third party selling another company's funds.
- Any underlying proposed funds or investment products must be qualified to accept IRC Section 457 DCP investments.
- The institution must not charge a redemption fee, transfer fee, deferred sales charge, or up-front sales load. In addition, the institution cannot apply or levy a penalty or fee of any type, except for adjustments related to market valuation of a fixed investment product upon liquidation, if the City, for any reason, finds it necessary to move or transfer funds to protect employees or if the City does not renew a contract beyond its contract term.
- The institution must have experience with and be willing to accommodate daily valuation.

- The institution must propose a well-diversified stable value strategy both in terms of portfolio composition and underlying fixed income portfolio management as well as having diverse exposure to three or more high quality wrap provider arrangements.

2.4 INVESTMENT GUIDELINES

2.4.0 Investment Objective

The primary objective of the portfolio is to provide safety of principal and consistency of returns with minimal volatility, while maintaining a stable credited rate of interest.

2.4.1 Performance Benchmarks

The performance objective of the portfolio is to outperform the 3 year Constant Maturity Treasury (“CMT”) yield + 0.50% over a full interest/market cycle. Performance relative to a comprehensive Stable Value Universe also will be reviewed.

2.4.2 Account Level Guidelines

	<u>Min</u>	<u>Max</u>
Liquidity Buffer (STIF or SV Fund)	0%	50%
Guaranteed Investment Contracts	0%	10%
Insurance Separate Account Contracts	0%	50%
Security Backed Contracts	0%	95%

2.4.3 Additional Diversification Guidelines

- No more than 3% of the aggregate portfolio will be invested in traditional GICs/ BICs from any one contract issuer.
- Exposure to any one Insurance company separate account provider shall be limited to not more than 50% of the Fund’s Assets.
- Exposure to any one single wrap provider shall be limited to not more than 50% of the Fund’s Assets. In the event a wrap provider is terminated, it will not be deemed a violation to the guidelines if the provider limit is exceeded. Replacement of the terminated provider occurs within 180 days or obtains client approval for an extension.

2.4.4 Quality Guidelines

The minimum quality of GIC/Separate Account/Security Backed contract providers must be A- or equivalent by at least one Nationally Recognized Statistical Rating Organization (“NRSRO”) at the time of initial placement. In the case of a split rating on investment contracts, the higher rating shall apply.

2.4.5 Duration/Maturity Guidelines

The overall duration of the underlying securities in the Fund shall be limited to a maximum of 3.5 years.

2.4.6 Permitted Investments

Synthetic guaranteed investment contracts (CIGS), traditional CIGS, bank insurance separate account contracts, collective investment trusts, stable value collective funds, cash equivalents and/or money market funds.

2.4.7 Competing Investment Option

It is preferred that any limitation on participant transfer of assets from the Stable Value Fund to other DCP options solely apply to DCP FDIC-insured capital preservation option and not other investment options in the Plan including the DCP risk-based portfolios and brokerage window.

2.4.8 Underlying Investment Performance Benchmarks

Actively managed portfolio performance is expected to exceed established benchmarks over a market cycle.

2.4.9 Underlying Investment Sector Guidelines

	<u>Max</u>
U.S. Government/Agency	100%
Corporates	60%
Asset Backed	30%
Mortgage Backed	65%
Agency RMBS and CMBS	60%
Non-agency RMBS	10%
Non-agency CMBS	20%
Sovereign/Supranationals	20%
\$USD denominated only	10%

2.4.10 Additional Diversification Guidelines

- No more than 15% may be invested in any single asset backed or non-government mortgage backed issuer.
- No more than 3% may be invested in any single corporate issue.

2.4.11 Quality Guidelines

All securities will be rated investment grade (BBB-/Baa- or better) at time of purchase. The minimum weighted average quality of the underlying assets will be maintained at a minimum AA.

Minimum rating on money market instruments will be A1/P1 at time of purchase. In the case of a split rating, the higher rating shall prevail.

For securities downgraded below investment grade, or A+ for short term securities, the manager may retain the security, if in the judgment of the manager, it is appropriate to do so subject to a maximum of no more than 3% of the portfolio's assets in issues below BBB- measured on a par or cost basis.

2.4.12 Additional Constraints

Where collective funds, external manager separate accounts, or insurance company separate accounts are utilized, those guidelines are incorporated and made part of these overall guidelines. The guidelines shall conform to these overall guidelines. If additional restrictions are required by wrapper contract issuers, those restrictions shall be incorporated and made part of these overall guidelines.

2.5 FEES & PERFORMANCE GUARANTEES

2.5.0 Compensation

The City will assess information provided by Proposers relative to the compensation derived from their proposed services.

2.5.1 Performance Guarantees

The City will be considering the Proposer's performance guarantees, with a focus on those that are meaningful, measurable and best relate to the DCP's core mission and service objectives as identified in this RFP.

SECTION 3

PROPOSAL QUESTIONNAIRE

QUESTIONNAIRE INTRODUCTION AND INSTRUCTIONS

3.0 INTRODUCTION

The questions included in this RFP are intended to solicit important background information about your firm and fully disclose the data points upon which Proposers will be evaluated. The City is not evaluating firms utilizing any information other than what is outlined within this RFP. Responses to this section along with documents required to be submitted pursuant to Part B of this RFP are necessary for the proposal to be considered responsive.

3.1 INSTRUCTIONS

- Do not alter the questions or question numbering.
- Complete all appropriate sections of the questionnaire.
- To obtain an electronic version of the questionnaire, please contact the City Contract Administrator. When providing narrative responses in the Excel questionnaire document, do not include any images, graphics, or charts. However, you may include images, graphics, or charts in print copies of your Proposal.
- Provide an answer to each question even if the answer is “not applicable” or “unknown.”
- Answer the question as directly as possible.
- If the question asks, “How many...” provide a number.
- If the question asks, “Do you...” indicate “Yes” or “No” followed by any additional brief narrative explanation to clarify.
- **Be concise in your response.** Use bullet points as appropriate.
- **Do not respond to a question solely by referring to a document or material that is not otherwise included within your Proposal. If referring to such documents or materials, you are nevertheless responsible for summarizing the content in order for you to be deemed responsive with respect to that question.**
- Referring the reader to attachments for further information should be avoided or used on a limited basis. Any response that does not directly address the question, but only contains marketing information, will be considered non-responsive.

3.2 INTRODUCTORY QUESTIONS

Responses to the following are required in order for your proposal to be considered responsive but will not be rated.

3.2.0 Cover Letter and Proposal Declaration

Provide a cover letter and Proposal Declaration to include the following:

- Title **“City of Los Angeles Stable Value Fund Investment Management Services RFP”** and submission date
- Contact name of person authorized to bind the Proposer to the proposal
- Contact Name/Title:
- Mailing Address:
- Location of Business (if different from mailing address):
- Type of legal entity (corporation, limited liability company, joint venture, partnership, etc.)
- A short description of your organization, the businesses in which it engages and the services it provides.
- Telephone Numbers (Office, Cell, and 24-hour lines of person(s) who will be authorized to represent the Proposer):
- Fax Number:
- E-mail Address:
- Date entity was established and location of entity when established
- Location of headquarters (full address) and, if your firm has more than one office location, which of your firm’s offices will service this account.
- Remittance Address (if different from mailing address):
- Annual revenues
- Total number of employees
- Total number of employees in the City of Los Angeles
- Total number of employees in the County of Los Angeles
- Number of employees reported in whose exclusive, primary work location is in the County of Los Angeles
- Number of employees providing services for this contract
- The following statement:

“The undersigned hereby offers and agrees to furnish the services in compliance with all the service level requirements, instructions, specifications, and any amendments contained in this RFP document and any written exceptions in the offer accepted by the City. This proposal is genuine, and not sham or collusive, nor made in the interest or in behalf of any person not herein named; the Proposer has not directly or indirectly induced or solicited any other Proposer to put in a sham proposal, or any other person, firm or corporation to refrain from submitting a proposal; and the Proposer

has not in any manner sought by collusion to secure for itself an advantage over any other Proposer.”

- A signature submitted on behalf of the Proposer by an officer authorized to bind the Proposer to the proposal, acknowledging:
 - Receipt of and agreeing the submitted Proposal is based on the RFP and any identified addenda.
 - Failure to indicate receipt of addenda may result in the proposal being rejected as non-responsive.
 - To constitute a responsive proposal all pages of the proposal questionnaire and required forms must be submitted.
 - Under penalty of perjury under the laws of the State of California that the proposal is true and correct and the Proposer agrees to the terms and conditions in the proposal.

3.2.1 City Business License Number or Vendor Registration Number

Indicate your City Business License Number or Vendor Registration Number, if available. A license or registration number is not required for your proposal but will be required prior to execution of a contract. To obtain a Business Tax Registration Certificate (BTRC) or Vendor Registration Number call the Office of Finance at (213) 473-5901 and pay the respective business taxes. The address is as follows: City of Los Angeles, Office of Finance, City Hall, Room 101, 201 North Main Street, Los Angeles, CA 90012 – <http://www.finance.lacity.org>.

3.2.2 State of California Board of Equalization Permit

Indicate your company's State of California Board of Equalization permit number. If you do not have this permit, please make a statement to this effect.

3.2.3 California Revenue and Taxation Code

Fill out and submit the appropriate California Revenue and Taxation Code form, if applicable (for out-of-state vendors).

3.2.4 Compliance with Standard Provisions

Provide a statement indicating that your firm will comply with the City of Los Angeles General Contracting Provisions attached to this RFP in Part B, including the Standard Provisions for City Contracts (Rev. 10/17). Please note that your statement does not relieve you from providing all of the documents required pursuant to the "Proposal Response Checklist."

3.2.5 Insurance

The City is estimating that the following insurance coverage types will apply to this contract:

- Workers Compensation (\$_____)
- General Liability (\$_____)
- Professional Liability (\$_____)

Please verify that you will be able to meet the required coverage levels and that you will submit proof of such pursuant to Part B, “General Contracting Requirements - Insurance Requirements,” as a condition of execution of any final contract (see Part B, “Standard Provisions – Insurance Requirements” for further details). Note that if the Proposer is a sole owner company with no employees, the Proposer can sign the City’s waiver of worker’s compensation. General Liability can also be obtained through the City’s SPARTA program for small contractors. Links to the City’s waiver form and SPARTA program from the City’s Risk Management website are provided as follows:

<http://www.2sparta.com/>

<http://cao.lacity.org/risk/waivewc.pdf>

3.2.6 Lobbyist Disclosure

Disclose any (1) arrangements your company has with any lobbyists and/or agents representing your company, and (2) any arrangements your company has with an unrelated individual or entity with respect to the sharing of any compensation, fees, or profit received from or in relation to the proposing company being awarded a Contract with the City. If any such arrangements exist, describe the nature of the relationship and the manner in which compensation or fees would be shared.

3.2.7 Endorsement Disclosure

Disclose any financial relationship your company has with any union, organization or association in conjunction with an endorsement. Provide details regarding the relationship, including any benefit that will be recognized by the union, organization or association in the event your company is awarded a Contract with the City.

3.2.8 Subcontracting

If any portion of the Contract is to be subcontracted, it must be clearly set forth as to the part(s) to be subcontracted, the reasons for the subcontracting and a listing of subcontractors. For each subcontractor proposed, provide the following information:

- The specific service being subcontracted
- Name of Subcontractor
- Subcontractor’s Contact Name
- Contact Title
- Contact Phone Number
- Mailing Address
- Location of Business (if different from mailing address)
- Business Telephone Number

- Subcontractor’s registration # and/or license #, if applicable
- Description of Work to be Subcontracted
- Reason for Subcontracting
- Percent of Total Contract to be Subcontracted & Dollar Amount
- Relevant work experience in years and level of responsibility
- Experience in number of years that your firm has worked with the Subcontractor providing these services
- If subcontractor is a MBE, WBE, LBE, SBE, EBE, or OBE
- If subcontractors will not be utilized, so indicate here.

3.2.9 Required Contract Execution Date

Please indicate if you (a) have any requirements, constraints, or limitations with respect to the implementation or “Go-Live Date” relative to final execution of a completed Agreement with the City; and (b) if you would be willing to provide services to the City prior to execution of a completed contract providing that a ratification clause is inserted into the Agreement.

3.3 QUESTIONNAIRE

<p>2019 REQUEST FOR PROPOSAL (RFP) STABLE VALUE FUND INVESTMENT MANAGEMENT SERVICES PROPOSAL QUESTIONNAIRE</p>		
<p>Please complete the 2019 Stable Value Fund Investment Management Services RFP Questionnaire and include it with your RFP Proposal. Make sure that you enter information into ALL cells designated for responses. If the question does not apply, enter "N/A" into the cell. Do NOT leave empty cells. Do NOT add columns, rows or cells to the questionnaire format. If you have any questions regarding this form, contact the City Contract Administrator.</p>		
<p>Qualifying Questions</p> <p>Responses to the following are required in order for your proposal to be considered responsive, but will not be rated.</p>		
Q#	QUESTIONS	ENTER RESPONSES OR USE DROP DOWN OPTIONS IN THIS COLUMN
<p>CONTACT INFORMATION</p>		
1	Name of Company:	

2	Person Authorized to Submit Proposal:	
3	Title of Person Authorized to Submit Proposal:	
4	Business Address: (Company Office to Service Account)	
5	Name(s) of Client Service Officers:	
6	Type of Legal Entity: (Corp, LLC, Partnership, etc.)	
7	Business Telephone Number:	
8	Business Fax Number:	
9	Business Email Address:	
10	Company Website:	
11	Remittance Address: (If Remittance Address Same as Above, Enter "Same" in Cell)	
REQUIRED DOCUMENTATION & DISCLOSURE		
12	State of California Board of Equalization Permit Number:	
13	Has your company attached appropriate California Revenue and Taxation Code Form, if applicable (for out of state vendors)? (Select YES or NO from dropdown options)	
14	Has your company's insurance broker uploaded the Certificate of Liability Insurance onto the kwikcomply.com website?(Select YES or NO from dropdown options)	
15	Has your company completed the forms listed below on the LABAVN website? (Select YES or NO from dropdown options) - Equal Benefits Ordinance/First Source Hiring Ordinance Form - Slavery Disclosure Ordinance/Border Wall Contracting Disclosure Ordinance Form - NRA Disclosure Ordinance	
16	Does your company agree to the following statement? (Select YES or NO from dropdown options) "The undersigned hereby offers and agrees to furnish the services in compliance with all the service level requirements, instructions, specifications, and any amendments contained in this RFP document and any written exceptions in the offer accepted by the City. This proposal is genuine, and not sham or collusive, nor made in the interest or in behalf of any person not herein named; the Proposer has not directly or indirectly induced or solicited any other Proposer to put in a sham proposal, or any other person, firm or corporation to refrain from submitting a proposal; and the Proposer has not in any manner sought by collusion to secure for itself an advantage over any other Proposer."	

17	<p>Does your company agree to the following statement?(Select YES or NO from dropdown options)</p> <p>“By submitting a proposal, we acknowledge and agree to the following: - Receipt of and agree that the submitted Proposal is based on the RFP and any identified addenda. - Failure to indicate receipt of addenda may result in the proposal being rejected as non-responsive. - To constitute a responsive proposal all pages of the proposal questionnaire and required forms must be submitted. - Under penalty of perjury under the laws of the State of California that the proposal is true and correct and the Proposer agrees to the terms and conditions in the proposal.”</p>	
18	<p>Does your company agree to the following statement? (Select YES or NO from dropdown options)</p> <p>"By submitting a proposal, we acknowledge that we will have to comply with the City of Los Angeles General Contracting Provisions attached to this RFP in Part B, including the Standard Provisions for City Contracts (Rev. 10/17)."</p>	
19	<p>If your response to prior question is "NO," please be specific regarding which of the City's General Contracting Provisions you are not able to comply with and why.</p>	
20	<p>The proposal contains all documents required pursuant to the "Proposal Response Checklist" (Select YES or NO from dropdown options)</p>	
21	<p>Assuming a ratification clause is included into the agreement, is your company willing to provide services to the City prior to the execution of a completed contract? (Select YES or NO from dropdown options)</p>	
<p>RATED QUESTIONS The following questions will be used to rate your Proposal.</p>		
<p>ORGANIZATIONAL BACKGROUND</p>		
22	<p>Is your company a subsidiary or affiliate of another company? (Select the applicable status from dropdown options)</p>	
23	<p>If you answered "subsidiary" or "affiliate" to prior question, provide your company's parent company name and, if applicable, percentage of ownership.</p>	
24	<p>If you answered "subsidiary" or "affiliate" to prior question, describe the nature of the business of the parent firm. Provide all indirect or indirect ownership. Indicate what percentage of the total company revenues your company represents for calendar years 2016, 2017, and 2018.</p>	
25	<p>Has your company (or, if applicable, your parent company) had a change in business structure in the last 5 years, whether through acquisition or divestiture or through an alliance arrangement? (Select YES or NO from dropdown options)</p>	
26	<p>If you answered yes to prior, describe how this change in the business affects your company?</p>	
27	<p>Has your company had a change in senior management (Including CEO, CFO, CIO or Other Executive Management) in the last five years? (Select YES or NO from dropdown options)</p>	
28	<p>If you answered yes to prior question, describe the circumstances for the change.</p>	

29	Please provide a summary of your organization's strategic plan, including how you control/manage growth of your business.	
30	How many proposals related to Stable Value Fund Investment Management Services has your company submitted in the last 5 years in response to public sector 457 plan service provider RFPs?	
31	Pertaining to prior question, how many of these resulted in your company being selected to provide services?	
32	Total number of employees working for your company:	
33	Total number of your company employees who work in the City of Los Angeles:	
34	Total number of your company employees who work in the County of Los Angeles:	
35	Total number of employees reported in previous question whose work location is in the County of Los Angeles:	
36	Total number of employees reported who will be providing services to this contract:	
ORGANIZATIONAL STRENGTH		
37	Provide the total value of assets under management with your institution:	
38	Provide the number of years your company has provided the services in this RFP:	
39	Provide the annual revenue for calendar year 2016:	
40	Provide the net profit for calendar year 2016:	
41	Provide the annual revenue for calendar year 2017:	
42	Provide the net profit for calendar year 2017:	
43	Provide the annual revenue for calendar year 2018:	
44	Provide the net profit for calendar year 2018:	
45	Will any portion of this contract be outsourced or subcontracted to domestic companies? (Select YES or NO from dropdown options)	
46	What percentage of the services solicited in this RFP would be outsourced or subcontracted to domestic companies?	
47	Will any portion of this contract be outsourced or subcontracted to non-US companies? (Select YES or NO from dropdown options)	
48	What percentage of the services solicited in this RFP would be outsourced or subcontracted to non-US companies?	

49	<p>If you answered yes to prior two questions, provide the following information for each subcontractor who will receive more than 5% of the total fee proposed for this RFP:</p> <ul style="list-style-type: none"> - part of contract being subcontracted - name of subcontractor - is this a domestic or non-US company? - contact name for the subcontractor - contact's title - mailing address for subcontractor - business address (if different from mailing address) - business telephone number - subcontractor's registration # and/or license #, if applicable - description of work to be subcontracted - reason for subcontracting - percent of total contract to be subcontracted - dollar amount to be subcontracted - subcontractor's work experience (in years) and level of responsibility - experience (in years) that your firm has worked with subcontractors for the services being subcontracted - identify if subcontractor is a MBE, WBE, LBE, SBE, EBE, or OBE 	
50	Provide the number of clients to whom you currently offer stable value fund investment management services for retirement plans.	
51	Do you currently have any public sector clients for which your firm provides investment services? (Select YES or NO from dropdown options)	
52	<p>List all current public sector clients for which your company provides investment services. Provide the following information for each public sector client you currently have:</p> <ul style="list-style-type: none"> - name of public sector client - dollar amount for assets your company is managing for public sector client - experience (in years) that your company has worked with public sector client 	
53	<p>Does your company agree to the following statement? (Select YES or NO from dropdown options)</p> <p>"Our company executives (e.g., portfolio manager, chief investment officer, company president, etc.) will meet with the DCP Board to answer questions and provide periodic updates (as necessary)."</p>	
REGULATORY AND CONTRACTUAL ACTIONS		
54	<p>In the past five years, has your company been the subject of any complaint filed with any state or federal regulatory agency or office? (Select YES or NO from dropdown options)</p>	
55	<p>If you answered yes to prior question, please provide the following additional details in chronological order from most recent to oldest?</p> <ul style="list-style-type: none"> - type of complaint filed - date you were notified of complaint - date the complaint was resolved - was the complaint filed with a state or federal regulatory agency or office? - provide details regarding the complaint - describe the final outcome of the complaint 	

56	<p>In the past five years, has your company had a license to do business, an agent/broker license or any other license revoked or suspended? (Select YES or NO from dropdown options)</p>	
57	<p>If you answered yes to prior question, please provide the following additional details in chronological order from most recent to oldest?</p> <ul style="list-style-type: none"> - item revoked (license to do business, agent/broker license/other insurance license - was the item revoked or suspended? - date of revocation or suspension - date revocation or suspension ended - provide details regarding the revocation or suspension - describe the final outcome 	
58	<p>Has your company ever been reprimanded or otherwise cited by a regulatory agency? (Select YES or NO from dropdown options)</p>	
59	<p>If you answered yes to prior question, please provide the following additional details in chronological order from most recent to oldest?</p> <ul style="list-style-type: none"> - was your company reprimanded or cited? - date you were reprimanded/cited - reason for reprimand/citation - provide details for reprimand/citation - describe the final outcome of the reprimand/citation 	
60	<p>In the last five years, has your company been sued or had other legal action initiated by clients? (Select YES or NO from dropdown options)</p>	
61	<p>If you answered yes to prior question, please provide the following additional details in chronological order from most recent to oldest?</p> <ul style="list-style-type: none"> - was your company sued or what other legal action was brought against your company? - date you were sued or notified of other legal action - date the suit or other legal action was resolved - provide details regarding the suit or legal action - describe the final outcome of the suit or legal action 	
62	<p>In the last five years, has your company sued or taken other legal action against a client? (Select YES or NO from dropdown options)</p>	
63	<p>If you answered yes to prior question, please provide the following additional details in chronological order from most recent to oldest?</p> <ul style="list-style-type: none"> - what type of legal action did your company initiate against a client? - provide contact information for the entity sued or challenged - date your lawsuit or legal action was filed - date the suit or other legal action was resolved - provide details regarding the suit or legal action - describe the final outcome of the suit or legal action 	
64	<p>In the last five years, has your company or its subsidiaries ever filed or been petitioned into bankruptcy or insolvency or has your company ever made any assignment for the benefit of your creditors? (Select YES or NO from dropdown options)</p>	

65	<p>If you answered yes to prior question, please provide the following additional details in chronological order from most recent to oldest?</p> <ul style="list-style-type: none"> - define whether your company or its subsidiaries ever 1) file for bankruptcy/insolvency, 2) been petitioned into bankruptcy/insolvency, and/or 3) made any assignment for the benefit of your creditors - date for the filing, petition, and/or assignment - provide details regarding the filing, petition, and/or assignment 	
66	<p>Does your company have any potential or perceived conflict of interest involving relationships your company may have with the city's current or prospective service providers, governing authorities, advisors, or other interested parties? (Select YES or NO from dropdown options)</p>	
67	<p>If you answered yes to prior question, please describe the nature of the relationship(s).</p>	
68	<p>Does your company have any current arrangements with any lobbyist representing your company? (Select YES or NO from dropdown options)</p>	
69	<p>If you answered yes to prior question, please describe the nature of the relationship(s) and the manner in which compensation or fees would be shared with lobbyist(s).</p>	
70	<p>Does your company have any agents representing your company? (Select YES or NO from dropdown options)</p>	
71	<p>If you answered yes to prior question, please describe the nature of the relationship(s) and the manner in which compensation or fees would be shared with agent(s).</p>	
<p>REFERENCES (The City Will Be Contacting the References Provided)</p>		
72	<p>Provide contact information for your company's three largest public sector defined contribution clients:</p> <p>Client Name: Current Asset Amount: Contact Name: Address: Phone Number for Contact Person: Email Address for Contact Person: Year Your Company Started Providing Client Services: Contract Services Provided (2-3 sentences):</p>	
73	<p>Provide contact information for your company's three former public sector defined contribution clients which have most recently discontinued services:</p> <p>Client Name: Contact Name: Address: Phone Number for Contact Person: Email Address for Contact Person: Year Your Company Started Providing Client Services: Year Your Company Stopped Providing Client Services: Contract Services Provided (2-3 sentences):</p>	

74	Provide contact information for your company's three public sector defined contribution clients which have most recently retained your services: Client Name: Contact Name: Address: Phone Number for Contact Person: Email Address for Contact Person: Year Your Company Started Providing Client Services: Year Your Company Stopped Providing Client Services: Contract Services Provided (2-3 sentences):	
INVESTMENT EXPERIENCE		
75	How long (in years) has your company managed discretionary stable value assets as of March 31, 2019?	
76	Provide the total assets (in \$ millions) under management within your stable value group as of March 31, 2019?	
77	Provide the total number of separate account discretionary stable value clients/accounts your firm currently manages and the asset value associated with these accounts as of March 31, 2019?	
78	How many different commingled stable value funds do you manage?	
79	Provide (if applicable) the total value (in \$ millions/billions) of commingled stable value assets as of March 31, 2019.	
80	Provide the number of stable value portfolio managers (those who make the discretionary allocation/structure decisions) currently employed at your firm as of March 31, 2019.	
81	Provide the number of stable value portfolio managers that would work on this account.	
82	Provide the number of research analysts dedicated to stable value investments as of March 31, 2019.	
83	Provide the number of marketing/client service personnel dedicated to stable value investments as of March 31, 2019.	
84	List the investment personnel experience of the individuals who will be assigned to this account. Your information should include job responsibilities, years of experience, years with your firm, professional designations and educational degrees.	

INVESTMENT APPROACH

85	<p>Please prepare a detailed investment strategy for how you would manage the DCP stable value fund. address the following issues in your response, using composite data, where applicable:</p> <ul style="list-style-type: none"> • how your proposed strategy would be implemented; • the allocation to various components, if applicable (e.g. liquidity, fixed maturity, open maturity in percentage ranges in %) of the proposed portfolio and the rationale behind your allocations; • a listing of acceptable assets; • the applicable credit quality criteria which you would suggest (for underlying investments managed internally and externally as well as wrap providers); • your duration, diversification, liquidity and maturity structure requirements including minimum/maximum constraints per sector, per security and per issuer; • the extent (i.e. acceptable allocation) to which the open-maturity investments would be managed internally or externally (and if externally, list suggested managers); • for the open maturity investments, please state what percentage range would be invested in the various components (i.e. cash, low duration, core fixed income, core plus fixed income, intermediate fixed income, intermediate plus fixed income, etc.) • your procedures and methodology for setting the stable value fund’s crediting rate; • your strategy for managing the liquidity needs of the fund; • the provisions you suggest to manage unexpected cash flow both into and out of the fund; • the extent to which passive management rather than active management would be utilized; • the extent to which the fund invests in commingled funds rather than investing in individual securities and if commingled funds whether units are daily, monthly or quarterly valued; • the frequency of valuation (i.e. daily valued, monthly valued, etc.); and • the employee-related withdrawal restrictions, the employer-related withdrawal restrictions and DCP termination restrictions. <p>Please state the anticipated duration for the portfolio and the initial crediting rate of the portfolio (using March, 2019 data), based on your strategy as articulated above.</p>	
86	Describe the underlying investment products and/or individual securities in which you would invest the fund’s separate account assets. Please indicate the investment expenses of each of these investments.	
87	Describe the decision process in selecting the underlying external investment managers that may be used in the overall portfolio construction.	
88	What external investment managers are accessible through your firm?	
89	For the underlying external managers (if applicable), please provide the acceptable investment guideline constraints (including high yield and international exposure) for these strategies.	
90	Discuss the extent to which your firm manages market valued fixed income assets internally.	
91	What is the rationale for managing such funds internally rather than hiring an outside manager?	

92	How are your internal fixed income capabilities distinctive? For each applicable style, identify the style, amount of assets under management, the investment objective and guidelines, gross and net quarterly performance since inception through March 31, 2019, applicable fees applied, and the applicable market benchmark. (Note that the City may request this data in an electronic format).	
93	Please describe the utilization, if any, of non-dollar and non-investment grade securities in your investment management products.	
94	Describe your internal credit quality research capabilities.	
95	Please state how your research adds value relative to the information provided by the public rating agencies.	
96	Does your firm employ a proprietary ratings system? (Select YES or NO from dropdown options)	
97	If you answered yes to prior question, please describe the proprietary ratings system and differentiate your methodology from the methodologies employed by the public rating agencies.	
98	What is the appropriate benchmark index for your strategy?	
99	What is your strategy to add value relative to your benchmark?	
100	What is the size of the return premium you look to provide above your benchmark index net of your fees?	
101	Describe your selection criteria for the selection of book-value wrappers.	
102	Please list the book value wrappers your firm currently utilizes and the percentage currently held in each across firm-wide stable value assets managed.	
103	Discuss the credit quality criteria your firm uses to select the book-value wrapper and the current credit quality (most recent date available) on each. Include the permissible maximum allocation to each book-value wrapper.	
104	Describe the wrap contract provisions you require.	
105	List the wrap providers your firm can access today to provide book value wrap capacity to the City's DCP.	
106	Describe whether the wrappers suggested require assets to be managed by either the wrapper provider or one of its affiliates.	
107	What is the current cost for your book value wrap contracts?	
108	Describe the risk management processes your firm uses to minimize volatility and other risks within your stable value portfolios. Your response should address both the overall portfolio and individual underlying investments.	

109	Describe, if applicable, the utilization of securities lending in your product. Indicate the percentage of the fund that participates in securities lending, the additional return generated by securities lending in each of the past three calendar years, and the split of the earnings resulting from securities lending between the fund and the securities lending provider.	
110	Please indicate who manages the securities lending collateral pool and the fees associated with such management.	
111	What enhancements do you anticipate making to your strategy from the perspective of credit quality, liquidity, investment performance, and/or responsiveness to interest rate movements? How does the separate account composite react in a rising/falling interest rate environment?	
112	<p>Did your company complete the IASVC worksheet included in this excel workbook? (Select YES or NO from dropdown options)</p> <p>On the individual account stable value composite (IASVC) worksheet, please provide information regarding your individual account stable value composite.</p>	
113	Will your firm strike the net value (NAV) for the Fund? (Select YES or NO from dropdown options)	
114	If you answered NO to prior question, please explain the process by which this typically occurs in similar circumstances.	
INVESTMENT PERFORMANCE		
115	<p>For the ten-year period ended March 31, 2019, please supply as an additional excel file the monthly, book value and market value (if available) time-weighted rate of returns, gross and net of fees, market to book ratio and crediting rate (gross and net) for your organization's stable value composite. Also, provide duration, current yield, weighted-average maturity, weighted average quality, and total AUM by period. In your exhibit, please detail how your composite was calculated. You must identify the number of funds included in the composite and the size of the underlying portfolios.</p> <ul style="list-style-type: none"> • In addition, please provide separately, the quarterly return data on the highest returning portfolio, within the composite, and the lowest returning portfolio, within the composite. • Provide the asset size of these portfolios and discuss the variance in returns for these portfolios relative to your composite. • Indicate the size and number of portfolios that were excluded from your composite and the reason for exclusion. <p>Please note that your composite must be limited to accounts in which you have complete investment discretion.</p>	

116	<p>For the ten-year period ended March 31, 2019, please supply as an additional excel file the monthly (or quarterly), market value time-weighted rate of returns, gross of fees, for the underlying composite(s) (made up of commingled pools and/or separate accounts [i.e. Core bond, intermediate bond, low-duration, etc.]) That would cover either your internally managed fixed income products or externally managed fixed income products that can be utilized as underlying fixed income managers for this assignment. Composite returns are acceptable. In your exhibit, please detail the following:</p> <ul style="list-style-type: none"> • Name of the strategy (or fund) and who the investment management company is (if managed externally). • What the appropriate benchmark is for this underlying composite • The asset size of each composite • The number of clients invested in each commingled pool or composite. 	
PORTFOLIO TRANSITION		
117	Describe the process and key steps associated with the transition of the existing stable value fund portfolios to your organization.	
118	Describe how existing book value to market value relationships will be maintained under a transition.	
ADMINISTRATIVE REPORTING		
119	What are your reporting capabilities with respect to Trustees/Third-Party Administrators?	
120	Confirm that you can provide daily unit value reporting to the trustee and Third-Party Administrator. (Select YES or NO from dropdown options)	
121	Confirm that you can monthly or quarterly statements to the City, its consultants, trustee, and Third-Party Administrator. (Select YES or NO from dropdown options)	
122	Confirm that you will attend and present, at your own cost, reports of investment reviews and organizational updates to the Board, staff, and the DCP consultant. (Select YES or NO from dropdown options)	
123	Describe the assistance your firm can provide with participant communications including fact sheets describing the nature and performance of your investment offering for use with DCP participants.	
FEES		
124	Provide the expected total annual operating expenses for the DCP stable value fund if your firm were to manage the fund. Provide a detailed breakout of these fees including management fees paid directly to your firm for discretionary management in addition to non-affiliated investment advisor fees, acquired fund fees, wrap contract charges, distribution fees, and any other expenses. Indicate how long these fees are guaranteed.	

125	Please indicate any and all administrative or other fees or charges that would not be included within the compensation you net out of the credited rate of return.	
126	Please indicate if you would waive transaction fees or charges that might be incurred in connection with your administration of this account.	
PERFORMANCE GUARANTEES		
127	Please indicate what performance guarantees your company would provide and any associated financial penalties associated with some or all of them.	
ADDITIONAL INFORMATION		
128	Provide any additional information your firm believes is essential to the evaluation of your proposal. If there is no additional data your company wishes to present, state the following: "There is no additional data we wish to present."	

You Have Now Completed the Questionnaire Portion of the RFP. Please Attach All Required Documents, Samples, Reports Mentioned in This Questionnaire to the RFP.

SECTION 4

PROPOSAL FORMAT AND SUBMISSION REQUIREMENTS

Proposals must be based only on the material contained in the RFP, Pre-Proposal Conference responses, amendments, addenda and other material published by the City relating to the RFP. The Proposer must disregard any previous RFP draft material. Proposals must be submitted in accordance with the requirements set forth in this RFP.

4.0 ADDENDUM(A)

The City reserves the right to issue addendum(a) to this RFP, which may add additional requirements which must be met in order for a proposal to be considered responsive. All Proposers must acknowledge any addendum(a) issued as a result of any change in this RFP on the Proposer Signature Declaration Page. Failure to indicate receipt of addendum(a) may result in a proposal being rejected as non-responsive.

4.1 IN WRITING

All proposals must be submitted in writing and Proposers shall complete and return any and all applicable documents including but not limited to written responses, questionnaires, forms, appendices, spreadsheets, and any electronic files. The City may deem a Proposer non-responsive if the Proposer fails to provide all required documentation, copies, or electronic files and eliminated from further consideration in the evaluation process.

4.2 COVER LETTER

Each proposal must include a cover letter limited to two pages. The cover letter must include the title, address, email address, and telephone number of the person or persons who will be authorized to represent the Proposer.

4.3 BEST OFFER

The proposal shall include the Proposer's best terms and conditions. Submission of the proposal shall constitute a firm and fixed offer to the City that will remain open and valid for a minimum of 12 months from the submission deadline.

4.4 AUTHORIZED SIGNATURES

Proposals must be signed by a duly authorized officer eligible to sign contract documents and authorized to bind the company to all commitments made in the proposal. A non-officer individual, with the authority to bind the Proposer to a contract, is sufficient to sign all applicable documents for the purpose of this RFP. Consortiums, joint ventures, or teams submitting proposals will not be considered responsive unless it

is established that all contractual responsibility rests solely with one Proposer or one legal entity. The proposal must identify the responsible entity.

4.5 NUMBER OF PROPOSAL COPIES REQUIRED

Proposers are required to submit:

- **One (1) original written proposal** sent to the City of Los Angeles proposal delivery address which includes all required responses to **Part A** and **Part B**, with all documents **signed in ink**;
- **One (1) original written proposal** sent to the City of Los Angeles proposal delivery address with attention to the **Part B** contact person and which includes all required responses to **Part B**, with all documents **signed in ink**;
- **Two (2) copies of the written proposal** sent to the City of Los Angeles proposal delivery address which includes all required responses to **Part A only**;
- **One (1) copy of the written proposal** sent to Mercer Investment which includes all required responses to **Part A only**; and
- **Four (4) electronic (USB drive) copies** of your **Part A** and **Part B** in Adobe PDF, Microsoft Word, and/or (questionnaire only) Microsoft Excel formats: three to the City of Los Angeles proposal delivery address one of which will be clearly labeled for the **Part B** Contact Person, and one to Mercer Investment.

Original and copies should be identified as such. If any proposal contains any trade secrets or other proprietary information that the Proposer claims is exempt from disclosure under the California Public Records Act, then one (1) redacted copy of the proposal must also be submitted in addition to the original version. Written proposals must be presented in a sealed envelope or box. Proposer must enter the title and Proposer's name on the outside of the envelope or box. Sealed proposals are to be delivered to the address listed in this RFP no later than the stated proposal submission deadline.

Certain efficiencies in how proposals are prepared and submitted are requested in order to facilitate the review, storage, and recycling processes for proposal materials. Economy in presentation and packaging is preferred over materials which are not easily reproduced, create unnecessary waste, or are awkward to store. **Please do not submit materials in plastic binders.** Each response should have the bulk of its contents prepared on standard 8½ x 11 paper. Non-essential promotional materials and oversized materials should be avoided wherever possible except as otherwise requested within the RFP.

4.6 ELECTRONIC (USB DRIVE) SUBMISSION

In addition to the written copies of the proposal, Proposers are required to provide a copy of the proposal in Adobe PDF, Microsoft Word, and/or (questionnaire only)

Microsoft Excel format on a USB flash drive. Redacted versions should be sent separately and **identified** as such. The USB flash drive containing the proposal versions should be labeled with the firm name and title of this RFP and placed in a sealed envelope with the firm's name written across the front of the envelope and attached or affixed inside the front cover of the original RFP response.

4.7 INFORMATION REQUESTED AND NOT FURNISHED

The information requested and the manner of submission is essential to permit prompt evaluation of all proposals. Accordingly, the City reserves the right to declare as non-responsive and reject any proposals in which information is requested and is not furnished or when a direct or complete answer is not provided.

4.8 ALTERNATIVES

The Proposer shall not change any wording in the RFP or associated documents. Any explanation or alternatives offered shall be submitted in a letter attached to the front of the proposal documents. Alternatives that do not substantially meet the City's requirements cannot be considered. Proposals offered subject to conditions and/or limitations may be rejected as non-responsive.

4.9 PROPOSAL ERRORS

Proposer is responsible for all errors or omissions incurred by Proposer in preparing the proposal. Proposer will not be allowed to alter proposal documents after the Proposal Submission Deadline, except as allowed by the City. The City reserves the right to allow Proposers to make corrections. The City reserves the right to make corrections or amendments due to errors identified in the proposal by the City or the Proposer. This type of correction or amendment will only be allowed for typographical errors, transposition, or other obvious error. Any changes will be dated and time stamped, and attached to the proposal. All changes must be coordinated in writing with, authorized by, and made by the City Contract Administrator.

4.10 PROPOSAL CLARIFICATION

The City reserves the right to request Proposers at any phase of the evaluation process to clarify information provided in RFP responses including clarification of assumptions used in the RFP response. All clarifications must be coordinated in writing with, authorized by, and made by the City Contract Administrator. Clarifications must be submitted in writing by the requested deadline, otherwise the RFP response will be deemed non-responsive or evaluated without the benefit of the clarification requested.

If the City determines that all Proposers failed to submit requested information or adequately responded to the same RFP question or request for data, the City may, at its discretion, issue an RFP Addendum and provide all Proposers with an opportunity to provide a response to the RFP question. Responses to RFP Addendum questions must be submitted in writing by the stated deadline otherwise the RFP response will be deemed non-responsive or evaluated without the benefit of the clarification requested.

4.11 WAIVER OF MINOR ADMINISTRATIVE IRREGULARITIES

The City reserves the right, at its sole discretion, to waive minor administrative irregularities contained in any proposal.

4.12 INTERPRETATION AND CLARIFICATIONS OF RFP REQUIREMENTS

The City will consider prospective recommendations or suggestions regarding any requirements before the Pre-Proposal Conference. All recommendations or suggestions must be in writing and submitted to the City Contract Administrator. The City reserves the right to modify or amend any and all requirements of the RFP.

4.13 PROPOSAL SUBMISSION DEADLINE

Timely submission of proposals is the sole responsibility of the proposer. The City reserves the right to determine the timeliness of all submissions. The proposals, including all hard copies, redacted copies and electronic copies of the final proposals and proposal questionnaire must be received by the City Contract Administrator, Devon Muir of Mercer Investment Consulting, and the Part B contact person at the published location and by the published due date included with this RFP.

City Contract Administrator

City of Los Angeles Personnel Department
Employee Benefits Division
Attention: Isaias Cantú
Los Angeles City Hall
200 North Spring Street, Room 867
Los Angeles, CA 90012

Consultant

Mercer Investment
Attention: Devon Muir, CFA, Principal
333 S 7th St, Suite 1400
Minneapolis, MN 55402
devon.muir@mercerc.com

Part B Contact Person

Personnel Department, Administrative Services Division
Attention: Michael Daco

By 3:00 P.M. Pacific Standard Time on _____, 2019.

It should be noted that all persons and materials entering the Employee Benefits Division's City Hall location must go through a security check. Proposers should allow ample time to clear security in order to meet the deadline listed above. All proposals will be date and time stamped upon receipt.

4.14 LATE PROPOSALS

Proposals submitted after the Proposal Submission Deadline shall be considered late. Late proposals will not be considered.

4.15 COST OF RFP

The City is not responsible for any costs incurred by Proposer while submitting proposals. All Proposers who respond to the RFP do so solely at their own expense.

4.16 WITHDRAWAL OF PROPOSALS

Proposer may withdraw a submitted proposal in writing at any time prior to the Proposal Submission Deadline. A written request, signed by an authorized representative of the proposer, must be submitted to the City Contract Administrator. After withdrawing a previously submitted proposal, the proposer may submit another proposal at any time up to the Proposal Submission Deadline.

4.17 SELECTION OF VENDOR

The proposer with the highest score based on the RFP criteria and that also satisfies all City contracting requirements will be recommended for selection. Selection is not restricted to the lowest offer or bid. Should contract negotiations not be successful with the selected proposer, the City may, based on its exclusive discretion, negotiate with the next most qualified proposer.

4.18 REJECTION OF PROPOSALS

The City reserves the right to reject any or all proposals; to waive any minor informality in proposals received; to reject any unapproved alternate proposal(s); and reserves the right to reject the proposal of any proposer who has previously failed to perform competently in any prior business relationship with the City. The rejection of any or all proposals will not render the City liable for costs or damages.

4.19 RFP WITHDRAWAL, CANCELLATION, OTHER OPTIONS

The City reserves the right to withdraw or cancel the RFP at any time, if it deems such action necessary. If such action is taken, the City may re-issue the RFP. The City also reserves the right to contract with more than one respondent to this RFP. Furthermore, the City may exercise its right to not select any Proposer from this RFP, if it determines that there was no responsive Proposer.

If an inadequate number of proposals is received or the proposals received are deemed non-responsive, not qualified, or not cost effective, the City may, at its sole discretion, reissue the RFP or award a sole-source contract with a vendor. The award of the contract is subject to the successful negotiation of the terms and conditions of an agreement.

The City reserves the right to verify all information in the proposal. If the information cannot be verified, the City reserves the right to reduce the rating points awarded. The City reserves the right to require a pre-award interview and/or site inspection.

4.20 CONTRACT EVALUATION PROGRAM

When the term of the contract pursuant to this RFP has concluded, the City will conduct an evaluation of the Contractor's performance. The City may also conduct evaluations of the Contractor's performance during the term of the contract. As required by Section 10.39.2 of the Los Angeles Administrative Code, evaluations will be based on specified criteria, including the quality of the work product or service performed, the timeliness of performance, financial issues, and the expertise of personnel that the Contractor assigns to the contract. A Contractor who receives a "Marginal" or "Unsatisfactory" rating will be provided with a copy of the final City evaluation and allowed fourteen (14) calendar days to respond. The City will use the final City evaluation and any response from the Contractor to evaluate Proposals and to conduct reference checks when awarding future service contracts.

4.21 LOBBYING LAW COMPLIANCE

Proposers bidding for a contract, as defined in Los Angeles Administrative Code Section 10.40.1, shall submit with their bid, the Bidder Certification Form CEC 50 as prescribed by the City Ethics Commission acknowledging and agreeing to comply with the disclosure requirements and prohibitions established in the Los Angeles Municipal Lobbying Ordinance.

This ordinance serves to identify persons engaged in compensated lobbying activities aimed at influencing decisions of City government. Additional information regarding these restrictions may be obtained from the City Ethics Commission at (213) 978-1960 or <http://ehtics.lacity.org/>.

4.22 CAMPAIGN CONTRIBUTIONS

Proposers are subject to Charter Section 470(c)(12) and related ordinances. As a result, Proposers may not make campaign contributions to and or engage in fundraising for certain elected City officials or candidates for elected City office from the time they submit the Proposal until either the contract is approved or, for successful Proposers, twelve months after the contract is signed. The Proposer's principals and subcontractors performing \$100,000 or more in work on the contract, as well as the principals of those subcontractors, are also subject to the same limitations on campaign contributions and fundraising.

Proposers must submit CEC Form 55, provided in Part B materials, to the awarding authority at the same time the Proposal is submitted. The Form requires Proposers to identify their principals, their subcontractors performing \$100,000 or more in work on the contract, and the principals of those subcontractors. Proposers must also notify their principals and subcontractors in writing of the restrictions and include such notice in contracts with subcontractors. Proposals submitted without a completed CEC Form 55 shall be deemed non-responsive. Proposers who fail to comply with City law may be subject to penalties, termination of Contract and debarment. Additional information regarding these restrictions and requirements may be obtained from the City Ethics Commission at (213) 978-1960 or <http://ethics.lacity.org/>

4.23 BUSINESS INCLUSION PROGRAM REQUIREMENTS (BIP)

It is the policy of the City to provide Minority Business Enterprise (MBE), Women Business Enterprise (WBE), Small Business Enterprise (SBE), Emerging Business Enterprise (EBE), Disabled Veteran Business Enterprise (DVBE), and all Other Business Enterprise (OBE) concerns an equal opportunity to participate in the performance of all City contracts. Proposers will assist the City in implementing this policy by taking all reasonable steps to ensure that all available business enterprises, including MBEs, WBEs, SBEs, EBEs DVBEs and OBEs, have an equal opportunity to compete for, and participate in, City contracts. Equal opportunity will be determined by the Proposer's BIP outreach documentation, as described in Part B and the Business Inclusion Program for this RFP. Participation by MBEs, WBEs, SBEs, EBEs, DVBEs and OBEs may be in the form of subcontracting. Proposers must refer to the Business Inclusion Program attachment to this RFP for additional information and instructions. BIP outreach must be performed using the Business Assistance Virtual Network (www.labavn.org). A Proposer's failure to utilize and complete their BIP Outreach as described in Part B will result in their proposal being deemed non-responsive and shall disqualify the proposal from further consideration in the evaluation process. **Schedule A of the Business Inclusion Program requirements is required to be submitted even if a Proposer does not receive any response from sub-contractors to its solicitation. The Schedule A form is NOT available and cannot be submitted electronically on LABAVN where the outreach is conducted; a hardcopy, as provided in the Standard Provisions, must be printed and submitted with original signatures by the proposal submission deadline. Please note this RFP's published deadline for submitting the BIP Summary Sheet on www.labavn.org.**

4.24 LOCAL BUSINESS PREFERENCE PROGRAM ORDINANCE

Proposers are advised that any proposal submitted and or contract awarded pursuant to this procurement process shall be subject to the applicable provisions of Los Angeles Administrative Code Section 10.47, Local Business Preference Program (LBPP) Ordinance. The City is committed to maximizing opportunities for local businesses, as well as encouraging local businesses to locate and operate in Los Angeles County. The LBPP Ordinance allows the Department to apply additional points to the Proposal's final score under certain conditions.

Proposers shall refer to Part B, "Local Business Preference Program" for further information regarding the requirements and application of the Ordinance.

If applicable, Proposers may choose to complete and upload the Local Business Certification Affidavit of Eligibility available on the City' Business Assistance Virtual Network (BAVN) residing at www.labavn.org prior to the Proposal Submission Deadline. The City may request supporting documentation to verify qualification for designation as a Local Business. Only those Proposers who apply and qualify for a Local Business designation (or otherwise qualify by using a qualified Local Subcontractor) by the RFP due date will be made eligible for additional points that can be awarded under the ordinance.

Proposers seeking additional information regarding the requirements of the Local Business Preference Program Ordinance may visit the Bureau of Contract Administration's web site at <http://bca.lacity.org>.

4.25 CONFIDENTIALITY

All documents, records and information provided by the City to the Contractor, or accessed or reviewed by the Contractor, during performance of the services will remain the property of the City. All documents, records, and information provided by the City to the Contractor, or accessed or reviewed by the Contractor and any if its employees during performance of services, are confidential (hereinafter collectively referred to as "Confidential Information"). The Contractor agrees not to provide Confidential Information, nor disclose their content or any information contained in it, either orally or in writing, to any other person or entity. The Contractor agrees that all Confidential Information used or reviewed in connection with the Contractor's work for the City will be used only for the purpose of carrying out City business and cannot be used for any other purpose. The Contractor will be responsible for protecting the confidentiality and maintaining the security of City documents and records in its possession.

Any Confidential Information provided by the City to the Contractor, or accessed or reviewed by Contractor, during performance of services, will be made available to its employees, agents, and subcontractors only on a need to know basis. Further, the Contractor will provide written instructions to all of its employees, agents and subcontractors, with access to the Confidential Information about the penalties for its unauthorized use or disclosure.

The Contractor must not remove Confidential Information or any other documents or information used or reviewed in connection with the Contractor's work for the City from City facilities without prior approval from the City. At no cost to the City the Contractor will, at the conclusion of services, or at the request of the City, promptly return in an organized manner that preserves and protects the documentation, any and all Confidential Information and all other written materials, notes, documents, or other information obtained by the Contractor during the course of work under the contract. The Contractor will not make or retain copies of any such information, materials or documents. The Contractor and its employees, agents, and subcontractors may have access to confidential employee personnel information; misuse of such information may adversely affect the subject individual's privacy rights and may violate various federal and State statutes. The Contractor will implement reasonable and prudent measures to keep secure employee personnel information accessed by its employees, agents, and subcontractors during the performance of services. The Contractor will advise its employees, agents, and subcontractors of this confidentiality requirement.

The Contractor shall disclose the intent to use any service provider outside the continental United States of America to handle any aspect of the work within the scope of services, and shall describe to the City's satisfaction the methods, which will be utilized to protect the City's interests and confidentiality of City records and information

in doing so. The City reserves the right to approve any such service provider throughout the term of the contract at its sole and absolute discretion.

Any breach of security that occurs through Contractor's website, offices or network shall require Contractor to be responsible for notifying City and all applicants affected by such breach. Contractor shall also be responsible for all costs associated with such notification. The Contractor shall indemnify the City for any breaches of its security and the improper disclosure of confidential information.

4.26 GOVERNMENT TAXATION FORMS

Proposers must submit the following three forms found in Part B to the awarding authority at the same time the Proposal is submitted:

- IRS Request for Taxpayer Identification and Certificate (Form W-9)
- Evidence of having applied for or obtained a tax registration account number (City of L.A. Tax Registration Certificate number and/or Vender Registration number)
- State of California Withholding Exemption Certificate (Form 590) or Non-resident Withholding Certification (Form 587), if the Proposer is located outside of California.

4.27 ON-LINE SUBMISSION OF REQUIRED DOCUMENTS

4.27.0 Equal Benefits Ordinance

Proposers are advised that any contract awarded pursuant to this procurement process shall be subject to the applicable provisions of Los Angeles Administrative Code Section 10.8.2.1, Equal Benefits Ordinance (EBO).

All Proposers shall complete and upload the Equal Benefits Ordinance Affidavit (two (2) pages) available on the City's Business Assistance Virtual Network (BAVN) residing at www.labavn.org prior to award of a City contract, the value of which exceeds \$25,000. The Equal Benefits Ordinance Affidavit shall be effective for a period of twelve months from the date it is first uploaded onto the City's BAVN. Proposers do not need to submit supporting documentation with their bids or proposals. However, the City may request supporting documentation to verify that the benefits are provided equally as specified on the Equal Benefits Ordinance Affidavit.

Proposers seeking additional information regarding the requirements of the Equal Benefits Ordinance may visit the Bureau of Contract Administration's web site at <http://bca.lacity.org>.

4.27.1 First Source Hiring Ordinance

Unless approved for an exemption, contractors under contracts used primarily for the furnishing of services to or for the City and that involve an expenditure in excess of \$25,000 and a contract term of at least three (3) months, and certain recipients of City Loans or Grants, shall comply with the provisions of Los Angeles Administrative Sections 10.44, et seq., First Source Hiring Ordinance

(FSHO). Proposers shall refer to the City's "First Source Hiring Ordinance" included in Attachment B for further information regarding the requirements of the Ordinance. The First Source Hiring Ordinance Compliance Affidavit shall only be required of the Proposer that is selected for award of a contract.

4.27.2 Slavery Disclosure Ordinance

Unless otherwise exempt, in accordance with the provisions of the Slavery Disclosure Ordinance, any contract awarded pursuant to this RFP will be subject to the Slavery Disclosure Ordinance, Section 10.41 of the Los Angeles Administrative Code.

All Proposers shall complete and upload the Slavery Disclosure Ordinance Affidavit (one (1) page) available on the City's Business Assistance Virtual Network (BAVN) residing at www.labavn.org prior to award of a City contract.

Proposers seeking additional information regarding the requirements of the Slavery Disclosure Ordinance may visit the Bureau of Contract Administration's web site at <http://bca.lacity.org>.

4.28 AMERICANS WITH DISABILITIES ACT

As covered under Title II of the Americans with Disabilities Act, the City does not discriminate on the basis of disability and, upon request, will provide reasonable accommodation to ensure equal access to its proposals, programs, services and activities. If an individual with a disability requires accommodations to attend the Pre-Proposal Conference, please contact the Contract Administrator at least five working days prior to the scheduled event.

4.29 FAIR CHANCE INITIATIVE FOR HIRING ORDINANCE

City contractors and subcontractors with ten or more employees are prohibited under Los Angeles Administrative Code Section 10.48 from seeking a job applicant's criminal history information until a job offer is made and from withdrawing a job offer unless the employer performs an assessment of the applicant's criminal history and the duties of the position (contractors and subcontractors must also comply with State requirements regarding the use of criminal history information in the job application process). Contractors and subcontractors are required to include information regarding the ordinance in all job solicitations and advertisements and to post notices informing job applicants of their rights. Additional information and forms may be found at the Department of Public Works, Bureau of Contract Administration website at <http://bca.lacity.org/>.

4.30 IRAN CONTRACTING ACT OF 2010

In accordance with California Public Contract Code Sections 2200-2208, all bidders submitting proposals for, entering into, or renewing contracts with the City for goods and services estimated at \$1,000,000 or more are required to complete, sign, and submit the "Iran Contracting Act of 2010 Compliance Affidavit."

4.31 BOND ASSISTANCE PROGRAM

For those contractors wishing to bid on City projects but are experiencing difficulty obtaining the required bid, performance and payment bonds, the City of Los Angeles provides bonding assistance thru the Los Angeles Bond Assistance Program (BAP LA). For more information regarding the BAP LA please go to the City's Risk Management website at <http://cao.lacity.org/risk>.

SECTION 5

EVALUATION OF PROPOSALS

5.0 REVIEW PROCESS

Proposals received by the Proposal Submission Deadline as specified in this RFP will be evaluated as outlined below.

5.0.0 Preliminary Review – Level One

Proposals will be reviewed to determine completeness of required documentation and compliance with the City's administrative and general contracting requirements. Proposers that fail to submit or complete required documentation and/or satisfactorily comply with the City's requirements will be deemed as non-responsive, eliminated from further consideration, and will not proceed to the Level Two review process. Proposers will be notified in writing or email regarding the results of the Level One review.

5.0.1 Proposal Evaluation - Level Two

Employee Benefits Division staff with assistance from the DCP investment consultant have been designated by the Board to evaluate and score the technical competence of all proposals and generate recommendations for selection to the Board. All written responses to the RFP questionnaire will be considered and evaluated. The award of the contract is subject to successful negotiation of the terms and conditions of an agreement.

5.0.1.0 Written Responses

All written responses to the RFP questionnaire will be considered and evaluated.

5.0.1.1 Engagement Exercise

Qualified Proposers will be required to participate in an engagement exercise with the proposal raters only. The engagement exercise will be narrowly focused on discussing specific topics included within the evaluation categories of the RFP. The exercise will occur on a date to be determined by the City. The engagement exercise will address in more substantive detail certain topics included within the Scope of Services of this RFP. Proposers will receive more detailed information with respect to the background, details, and questions for each topic immediately preceding the engagement exercise. Proposers will not be permitted to discuss the qualifications of their firm at the engagement exercise; clarify or enhance written responses to the written portion of the RFP; or

otherwise discuss any other component of their RFP response or interest in securing business with the City. The engagement exercise is a uniquely scored component of the RFP consistent with all other topics and sub-topics comprising the scored written responses to the RFP.

5.1 REVIEW CRITERIA

Evaluation of submitted proposals will be based on the following factors and the weights associated with each factor.

EVALUATION CATEGORY	WEIGHT
ORGANIZATIONAL BACKGROUND	5.0%
ORGANIZATIONAL STRENGTH	10.0%
REGULATORY AND CONTRACTUAL ACTIONS	5.0%
REFERENCES	2.5%
INVESTMENT EXPERIENCE	15.0%
INVESTMENT APPROACH	15.0%
INVESTMENT PERFORMANCE	15.0%
PORTFOLIO TRANSITION	2.5%
ADMINISTRATIVE REPORTING	2.5%
ENGAGEMENT EXERCISE	5.0%
FEES	20.0%
PERFORMANCE GUARANTEES	2.5%
TOTAL-->	100%

5.2 PROPOSAL PROTEST

5.2.0 Level One - Preliminary Review

Proposer may file a protest regarding disqualification at the Level One review. A Notice of Protest must be filed in writing and submitted to the Contract Administrator within five (5) calendar days of the notification of disqualification date. The Notice of Protest must clearly state the grounds for the protest and the facts on which they are based. The Personnel Department General Manager will respond to a protest within 15 calendar days of receiving it. The decision of the Personnel Department General Manager will be final.

5.2.1 Level Two - Award of Contract Recommendation

Proposers may file a protest regarding the award of the contract. A Notice of Protest must be filed in writing and submitted to the Contract Administrator within seven (7) calendar days of the date the Contracting Authority makes its final vendor selections pursuant to this RFP. The Notice of Protest must clearly state the grounds for the protest and the facts on which they are based. A protest

based on non-selection alone or disagreement with the award of the contract is not sufficient grounds for a protest.

Personnel Department staff will respond to a protest, in writing, within 20 calendar days of receiving it. Findings and/or recommendations will be submitted to the Board of Deferred Compensation Administration and the decision of the Board will be final.

SECTION 6

GENERAL TERMS & CONDITIONS

6.0 PROPERTY OF CITY/PROPRIETARY MATERIAL

All proposals submitted in response to this RFP will become the property of the City and subject to the California Public Records Act (California Government Code Section 6250 et seq). Proposers must identify all trade secrets or other proprietary information that the Proposers claim are exempt from the Public Records Act. The City Attorney will make an independent determination regarding whether the identified information is disclosable.

In the event a Proposer claims such an exemption, the Proposer is required to state in the proposal the following: “The Proposer will indemnify the City and its officers, employees and agents, and hold them harmless from any claim or liability and defend any action brought against them for their refusal to disclose trade secrets or other proprietary information to any person making a request therefore.”

Failure to include such a statement will constitute a waiver of a Proposer’s right to exemption from this disclosure.

6.1 PRE-AWARD NEGOTIATIONS

Prior to award of the contract, the successful Proposer(s) may be required to attend negotiation meetings that will be scheduled at a later date. The intent of the meeting(s) will be to discuss and negotiate contract requirements, prices/premiums, service level agreements, detailed scope of work specifications, ordering, invoicing, delivery, receiving and payment procedures, etc. in order to insure successful administration of the contract.

6.2 EXECUTION OF CONTRACT

Unless otherwise stated, proposals submitted will be irrevocable for a period of one-year following the proposal due date. A contract will be developed following action by the Board.

Any contract made pursuant to this RFP must be accepted in writing by the Proposer. If for any reason Proposer should fail to accept the contract in writing, then the Proposer may be deemed non-responsive and the City may commence contract negotiations with another Proposer.

Please note that the City takes a legal approach whereby all contracts contain an order of precedence. In the event of a discrepancy between the provisions of the Contractor’s documents and the City’s documents, the City’s documents take precedence with respect to resolution of the discrepancy.

6.3 AMENDMENTS/MODIFICATIONS/CHANGE ORDERS

Any amendments, adjustments, alterations, additions, deletions, or modifications in the terms and/or conditions of the resultant agreement must be made by written amendment/change order approved by the Contracting Authority, the Contractor, and signed by the City Attorney. If Contractor performs any modification without a written amendment/change order, the City will neither pay for nor be obligated to accept said modification.

6.4 PRIME CONTRACTOR

The Proposer awarded the contract must be the prime Contractor performing the primary functions of the contract. If any portion of the contract is to be subcontracted, it must be clearly set forth in the proposal document as to what part(s) are to be subcontracted, the reasons for the subcontracting and a listing of subcontractors. The City reserves the right to reject any proposal wherein use of subcontractors significantly affects the ability of the Proposer to function as the prime Contractor on the awarded contract. The prime Contractor will at all times be responsible for the acts and errors or omissions of its Subcontractors or joint participants and persons directly or indirectly employed by them.

6.5 SUBCONTRACTORS/JOINT VENTURES

Acceptance or rejection of a Proposer's request to use subcontractors is at the sole discretion of the City. With written approval of the City, the Contractor may enter into subcontracts and joint participation agreements with others for the performance of portions of resultant agreement.

The provisions of the resultant agreement will apply to all subcontractors in the same manner as to the Contractor. In particular, the City will not pay, even indirectly, the fees and expenses of subcontractors that do not conform to the limitations and documentation requirements of the resultant agreement.

6.5.0 Copies of Subcontractor Agreements

Upon written request from the City, the Contractor will supply the City with all subcontractor agreements at no cost.

6.6 SUPPLIER PERFORMANCE FEEDBACK MEETINGS

The Proposer awarded the resulting agreement is required to attend periodic performance feedback meetings facilitated by the Contracting Authority. The meetings will focus on the Contractor's and the City's performance in fulfilling the service level requirements contained in the contract. The meetings will provide a forum to informally discuss opportunities for improving contract terms and conditions, service level requirements, and cost reductions for both parties.

6.7 REPLACEMENT OF CONTRACTOR'S STAFF

The City reserves the right to have the Contractor replace any contract personnel with equally or better qualified staff upon providing written notice to Contractor. In addition,

the City reserves the right to approve in advance any changes in project personnel or levels of commitment by the Contractor to the project.

6.8 CONTRACTOR'S ADDRESS

The address given in the proposal response will be considered the legal address of the Contractor and will be changed only by written notice to the City. The Contractor will supply an address to which certified mail can be delivered. The delivery of any communication to the Contractor personally, or to such address, or the depositing in the United States Mail, registered or certified with postage prepaid, addressed to the Contractor at such address, will constitute a legal service thereof. Also, telephone numbers, fax numbers and e-mail addresses (if applicable) must be provided.

6.09 TERM & OPTION TO RENEW

The term of any contract(s) established pursuant to this RFP shall be for the period identified in the RFP Introduction. The City reserves the right in its sole discretion to seek an extension of the term of the contract.

6.10 STANDARD CONTRACT PROVISION REQUIREMENTS

Please carefully review the information contained in the City of Los Angeles Requirements and Checklist (Part B), including the Standard Provisions for City Contracts (Rev. 10/17). Compliance with these requirements and submission of necessary forms is **mandatory** at the time of submission of a proposal, prior to award of contract, or both. Accordingly, the City reserves the right to declare as non-responsive and reject any proposals in which information is requested and is not furnished or when a direct or complete answer is not provided. These requirements will be discussed in detail at the Pre-Proposal Conference.

6.11 GOVERNING LAW

All matters relating to the formation, validity, construction, interpretation, performance and enforcement of the RFP and the resultant agreement/contract, must comply with all applicable laws of the United States of America, the State of California and the City.

6.12 CALIFORNIA STATE SALES TAX

Do not include California State sales tax in prices quoted unless otherwise requested. If requested, sales tax must be identified as being included in the pricing.

6.13 CALIFORNIA STATE BOARD OF EQUALIZATION PERMIT

Proposer must enter the company's State of California Board of Equalization permit number on the proposal form. If the company does not have this permit, the Proposer must sign the proposal form declaring that the company has no California sales tax permit.

6.14 FEDERAL EXCISE TAXES

The City is exempt from the payment of excise taxes imposed by the Federal Government. Such taxes must not be included in the proposed prices. The Department of General Services, upon request, will furnish Federal excise exemption certificates.

6.15 PERIODIC INDEPENDENT AUDIT

The City reserves the right to assign an independent auditor to assess the quality of services being provided and the extent to which the vendor and its subcontractors are conducting City business within generally accepted industry standard practices. Each Contractor will be required to cooperate fully with any external audit.

6.16 FINANCIAL AUDIT

Firms providing services to the City will be responsible for the verification of the legitimacy of payments made to service providers and their subcontractors. The City therefore reserves the right for staff of its Office of the Controller or their designee to conduct audits of financial accountability procedures.

6.17 PROPOSER BACKGROUND INFORMATION

Proposers must submit contact information as requested in the Proposal Questionnaire.

6.18 PROPOSER SIGNATURE DECLARATION

Proposer shall provide a Signature Declaration as requested in the Proposal Questionnaire.

PLEDGE FORM REGARDING CONFLICT OF INTEREST, CONFIDENTIALITY AND PROPOSER COMMUNICATIONS

**City of Los Angeles Deferred Compensation Plan (DCP)
2019 Request for Proposal for Stable Value Fund Investment Management Services**

As a participant in either the evaluation or decision-making process for the above-referenced procurement processes for the DCP, I hereby assert the following:

1. I recognize it is my responsibility to act in accordance with ethical standards to assure the integrity of this Request for Proposals (RFP) evaluation and execution process and to provide a fair and objective process for interested vendors by (a) evaluating vendor proposals based solely on the information contained in the proposals, without regard to any other factor, and (b) making decisions in the best interests of the DCP and its participants using only the City's and Board of Deferred Compensation Administration's (Board's) adopted policies/practices relative to procurements, the specific criteria set forth in the RFP, the analysis and recommendation of the review panel and the Board Report(s) regarding the procurement.
2. I do not have a financial or other interest, nor does any member of my immediate family have a financial or other interest, in the outcome of this selection process or in any proposer or known subcontractor or their representatives.
3. I will bring to the attention of the Board and Personnel Department staff any potential conflict of interest matter, including but not limited to conflict of current or previous employment or business relationships with a proposer or known subcontractor, immediately upon becoming aware of such matter and will comply with applicable legal requirements, which may include, among other things, complete withdrawal from the selection process should I have a conflict of interest.
4. I agree that, effective **April 16, 2019**, I will not meet or otherwise communicate privately with employees, representatives or registered lobbyists of any actual or potential bidder regarding this RFP through the rendering of a final contract award, with the purpose or result of engaging in a conversation materially related to the vendor's securing business from the City's DCP. I understand that this provision does not limit my ability to acquire information from or otherwise communicate with staff.
5. If participating in the evaluation of vendor proposals as part of the rating panel, I agree to maintain strict confidentiality of the proposal evaluation and rating and the security of all documents pertaining thereto, and not to hold discussions nor divulge/accept information on any aspect of the evaluation of proposals outside the authorized participants in the proposal evaluation process until the results of the evaluation are made public.

Board/Staff Member Signature:

Signed: _____ Date: _____

Print Name: _____

**PROPOSED TIMELINE:
2019 STABLE VALUE FUND
INVESTMENT MANAGEMENT SERVICES RFP**

FUND PROVIDER SEARCH COMPONENT	TENTATIVE TARGET COMPLETION DATE
Consultant/staff Develop RFP for Stable Value Fund Investment Management Services	October 2018 – April 2019
Board Approves Draft RFP for Stable Value Fund Investment Management Services	April 16 2019
Staff to Issue RFP for Stable Value Fund Investment Management Services	April 2019
Stable Value Fund Investment Management Services RFP Mandatory Pre-Proposal Conference	May 2019
Stable Value Fund Investment Management Services RFP Responses Due	June 2019
Board Selects Recommended Stable Value Fund Provider	September 2019
Stable Value Fund Investment Management Services Contract Development and Execution	October 2019 – June 2020
Stable Value Fund Investment Management Services Begin	July 1, 2020