



# Peralta Community College District

501 5<sup>th</sup> Avenue Oakland, California 94606

Phone (510) 466-7225 Fax (510) 587-7873

*Purchasing Department*

## ADDENDA

### RFP No.: 17-18/18 Custodian and Discretionary Trustee Services, Multi-Year Contract

November 30, 2017

#### ADDENDUM No. 1

This addendum supersedes items of the original contract documents wherein it is inconsistent with it. All other conditions remain unchanged. The following changes, modifications, corrections, additions or clarifications shall apply to the contract documents and shall be made a part of and subject to all of the requirements thereof as if originally specified or shown. It is the responsibility of the bidder to review the list of attachments to ensure that the addendum is full and complete. This Addendum modifies the original Bid Documents for the above RFP.

**Acknowledge receipt of this addendum in the space provided on the BID FORM. Failure to do so may subject Bidder to disqualification.**

#### The following questions and clarifications were submitted to RFP No. 17-18/18

1. Have there been or are there pending regulatory actions or litigation as regards the OPEB Bonds, OPEB Trust or against any of the college administration, consultants, fiduciaries or service providers for the bonding or the OPEB trust? Please describe.

**Response:** We are not aware of any legal action related to the OPEB program.

2. Have the OPEB bonds been fully retired, or if not when will they be fully retired?

**Response:** No, 2049

3. As regards dividing the trust between revocable and irrevocable funds, would Bondholder payment encumbered bond proceeds be deposited to the irrevocable trust? How has or would the division be made as regards revocable and irrevocable?

**Response:** The exiting trust cannot be divided and will remain as a revocable trust.

4. Is the college willing to indemnify the proposer for all potential legal expenses associated with any future potential investigations and/or litigation incurred in defending the trust(s) related to past actions of the college and/or trust fiduciaries?

**Response:** They will not indemnify. Custodian Discretionary Trustee will not be liable for the acts or omissions of any other trust fiduciary, other than, if applicable, as a co-fiduciary.

5. Are OPEB funds held in an irrevocable or revocable trust? Your substantive plan states that the revocable trust was being converted to irrevocable, but no time frame was given. How are assets currently held, and if revocable, when/will the assets be converted to irrevocable?

**Response:** All OPEB funds are held in a revocable trust and will remain that way.

6. Our OPEB product is called Futuris. Our structure is unique, and includes three entities: Keenan (oversight and administration), Benefit Trust Company (discretionary trustee and custodian), and Morgan Stanley (RIA to BTC). It looks like there are three RFPs: one for investment management only (171-18/19), one for Custodian and Discretionary Trustee Services (17-18/18), and one for just Custodian and Trustee Services (17-18/17). We intend to respond as a team, and not individually. We are intending on answering RFP No. 17-18/18. Does that sound appropriate?

**Response:** Yes

7. RFP minimum requirements (J) include \$75M of professional errors and omissions insurance. This appears to differ from the insurance requirements of Attachment 6 (Agreement for Discretionary Trustee/custodian Services) which shows \$5 million. Please clarify as BTC's E&O coverage is \$10M.

**Response:** \$5 million is required

8. Minimum requirement question D states that proposer must have 10 public funds with at least \$150M each in tax-exempt assets. Our program, Futuris, has \$1B of assets. Several of our clients have over \$100M, but only one has over \$150M of assets. Does this disqualify us from this RFP?

**Response:** Ask for listing of how many clients have over \$100 million. Have to addendums for 7 and 8 on website.

9. Could we get a copy of current OPEB account statement to analyze current holdings?

**Response:** Please see attachments.

**END OF ADDENDUM ONE**

# ACCOUNT STATEMENT

Statement Period  
Account Number

10/01/2017 through 10/31/2017

PERALTA COMMUNITY COLLEGE  
COMBINED ACCOUNT

Page 66

## Schedule Of Adjustments

ADJUSTED BALANCES AS OF 09/30/2017	ASSET SUMMARY			
	ENDING COST BASIS	ADJUSTED COST BASIS	ENDING MARKET VALUE	ADJUSTED MARKET VALUE
	<b>A S S E T S</b>			
CASH	75,779.26	127,355.97	75,779.26	127,355.97
RECEIVABLES	139,054.78	12,181,442.05	139,054.78	12,181,442.05
ACCRUED INCOME	337,904.18	337,904.18	337,904.18	337,904.18
<b>TOTAL CASH &amp; RECEIVABLES</b>	<b>552,738.22</b>	<b>12,646,702.20</b>	<b>552,738.22</b>	<b>12,646,702.20</b>
CASH EQUIVALENTS				
CASH INVESTMENTS (MONEY FUNDS)	3,147,859.18	2,737,020.45	3,147,859.18	2,737,020.45
<b>TOTAL CASH EQUIVALENTS</b>	<b>3,147,859.18</b>	<b>2,737,020.45</b>	<b>3,147,859.18</b>	<b>2,737,020.45</b>
FIXED INCOME				
US GOVERNMENTS AND AGENCIES	16,712,086.31	17,047,220.57	17,051,882.25	17,388,665.85
FOREIGN GOVERNMENT BONDS	0.00	254,821.50	0.00	254,821.50
MORTGAGE BACKED SECURITIES	10,483,160.47	10,325,294.07	13,761,213.21	10,037,443.45
COLLATERALIZED MRTG OBLIGATIONS	7,296,069.90	6,765,178.94	6,927,801.41	6,396,722.56
MUNICIPAL BONDS	129,120.00	129,120.00	122,688.00	122,688.00
DOMESTIC CORPORATE BONDS	14,538,772.03	15,286,220.38	14,859,023.33	15,594,489.53
MUTUAL FUNDS - FIXED INC	27,835,804.01	27,835,804.01	27,887,389.25	27,887,389.25
<b>TOTAL FIXED INCOME</b>	<b>76,995,012.72</b>	<b>77,643,659.47</b>	<b>80,609,997.45</b>	<b>77,682,220.14</b>
EQUITIES				
COMMON STOCK - DOMESTIC	52,826,001.84	52,826,001.84	66,794,879.59	66,794,879.59
CONVERTIBLE PREFERRED STOCK	32,486.73	32,486.73	51,208.80	51,208.80
COMMON STOCK - FOREIGN	4,842,100.10	4,842,100.10	7,469,920.99	7,469,920.99
MUTUAL FUNDS - EQUITIES	49,501,409.18	49,501,409.18	58,258,759.53	58,258,759.53
EXCHANGE TRADED FUNDS-EQUITY	3,953,431.48	3,953,431.48	4,742,548.02	4,742,548.02
<b>TOTAL EQUITIES</b>	<b>111,155,429.33</b>	<b>111,155,429.33</b>	<b>137,317,316.93</b>	<b>137,317,316.93</b>
ALTERNATIVE INVESTMENT				
PRIVATE EQUITY	1,061,464.42	1,061,464.42	3,876,611.20	4,141,810.62
<b>TOTAL ALTERNATIVE INVESTMENT</b>	<b>1,061,464.42</b>	<b>1,061,464.42</b>	<b>3,876,611.20</b>	<b>4,141,810.62</b>
<b>TOTAL HOLDINGS</b>	<b>192,359,765.65</b>	<b>192,597,573.67</b>	<b>224,951,784.76</b>	<b>221,878,368.14</b>
<b>TOTAL ASSETS</b>	<b>192,912,503.87</b>	<b>205,244,275.87</b>	<b>225,504,522.98</b>	<b>234,525,070.34</b>

# ACCOUNT STATEMENT

Statement Period  
Account Number

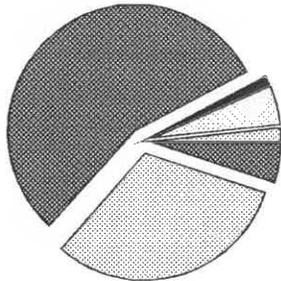
10/01/2017 through 10/31/2017

PERALTA COMMUNITY COLLEGE  
COMBINED ACCOUNT

## Schedule Of Adjustments

ADJUSTED BALANCES AS OF 09/30/2017	ASSET SUMMARY			
	ENDING COST BASIS	ADJUSTED COST BASIS	ENDING MARKET VALUE	ADJUSTED MARKET VALUE
	<b>L I A B I L I T I E S</b>			
PAYABLES	81,879.11	12,369,502.80	81,879.11	12,369,502.80
<b>TOTAL LIABILITIES</b>	<b>81,879.11</b>	<b>12,369,502.80</b>	<b>81,879.11</b>	<b>12,369,502.80</b>
<b>TOTAL NET ASSET VALUE</b>	<b>192,830,624.76</b>	<b>192,874,773.07</b>	<b>225,422,643.87</b>	<b>222,155,567.54</b>

## Adjusted Asset Allocation



1.9%	ALTERNATIVE INVESTMENT	4,141,810.62
5.7%	CASH & RECEIVABLES	12,646,702.20
1.2%	CASH EQUIVALENTS	2,737,020.45
61.8%	EQUITIES	137,317,316.93
35.0%	FIXED INCOME	77,682,220.14
5.6%	LIABILITIES	12,369,502.80
100.0%	<b>Total</b>	<b>222,155,567.54</b>

# ACCOUNT STATEMENT

Statement Period  
Account Number

10/01/2017 through 10/31/2017

PERALTA COMMUNITY COLLEGE  
COMBINED ACCOUNT

Page 68

## Summary Of Cash Receipts And Disbursements

### RECEIPTS

CASH BALANCE AS OF 10/01/2017		60,704.78 -
INCOME RECEIVED		
DIVIDENDS	135,120.22	
INTEREST	111,733.66	
TOTAL INCOME RECEIPTS		246,853.88
OTHER CASH RECEIPTS		5,195,000.00
PROCEEDS FROM THE DISPOSITION OF ASSETS		21,478,990.41
TOTAL RECEIPTS		26,920,844.29

### DISBURSEMENTS

FEES AND OTHER EXPENSES		
INVESTMENT MGMT FEES	166,894.38	
TOTAL FEES AND OTHER EXPENSES		166,894.38
OTHER CASH DISBURSEMENTS		7,496,000.29
COST OF ACQUISITION OF ASSETS		19,253,099.72
TOTAL DISBURSEMENTS		26,915,994.39
CASH BALANCE AS OF 10/31/2017		55,854.88 -

### THE ENDING CASH BALANCE CONSISTS OF:

CASH	68,147.06 -
RECEIVABLES	38,063.63
PAYABLES	25,771.45 -
TOTAL CASH	55,854.88 -

# ACCOUNT STATEMENT

Statement Period  
Account Number

10/01/2017 through 10/31/2017

PERALTA COMMUNITY COLLEGE  
COMBINED ACCOUNT

Page 69

## Summary Of Fund

MARKET VALUE AS OF 10/01/2017		222,155,567.54
DIVIDENDS	135,120.22	
INTEREST	111,733.66	
LESS BEGINNING ACCRUED INCOME	337,904.18-	
ACCRUED INCOME	283,756.94	
OTHER RECEIPTS	5,244,501.00	
REALIZED GAIN OR LOSS	127,329.26	
IN-KIND GAIN OR LOSS REDUCTIONS	2,891.00	
UNREALIZED GAIN OR LOSS	1,543,348.37	
INVESTMENT MGMT FEES	166,894.38-	
OTHER DISBURSEMENTS	7,496,000.29-	
NON-CASH DISTRIBUTIONS	48,026.00-	
TOTAL MARKET VALUE AS OF 10/31/2017		221,555,423.14

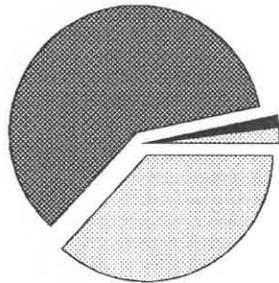
# ACCOUNT STATEMENT

Statement Period  
Account Number

10/01/2017 through 10/31/2017

PERALTA COMMUNITY COLLEGE  
COMBINED ACCOUNT

## Summary Of Investments Investment Allocation



1.9%	ALTERNATIVE INVESTMENT	4,141,810.63
0.1%	CASH	227,902.06
1.3%	CASH EQUIVALENTS	2,929,426.58
59.9%	EQUITIES	132,774,305.81
36.8%	FIXED INCOME	81,481,978.06
100.0%	<b>Total</b>	<b>221,555,423.14</b>

## Investment Summary

	Market Value	%	Estimated Income	Current Yield
<b>CASH</b>				
CASH	227,902.06	0.10	0	0.00
<b>CASH EQUIVALENTS</b>				
CASH INVESTMENTS (MONEY FUNDS)	2,929,426.58	1.32	22,082	0.75
<b>FIXED INCOME</b>				
US GOVERNMENTS AND AGENCIES	17,354,057.83	7.83	343,514	1.98
FOREIGN GOVERNMENT BONDS	254,742.45	0.11	3,060	1.20
MORTGAGE BACKED SECURITIES	10,028,628.43	4.53	398,218	3.97
COLLATERALIZED MRTG OBLIGATIONS	6,382,000.71	2.88	240,329	3.77
MUNICIPAL BONDS	123,320.00	0.06	6,040	4.90

# ACCOUNT STATEMENT

Statement Period  
Account Number

10/01/2017 through 10/31/2017

PERALTA COMMUNITY COLLEGE  
COMBINED ACCOUNT

Page 71

## Summary Of Investments

### Investment Summary

	Market Value	%	Estimated Income	Current Yield
DOMESTIC CORPORATE BONDS	15,591,323.75	7.04	544,071	3.49
MUTUAL FUNDS - FIXED INC	31,747,904.89	14.33	1,203,173	3.79
<b>TOTAL FIXED INCOME</b>	<b>81,481,978.06</b>	<b>36.78</b>	<b>2,738,406</b>	<b>3.36</b>
<b>EQUITIES</b>				
COMMON STOCK - DOMESTIC	61,308,443.02	27.67	1,091,034	1.78
CONVERTIBLE PREFERRED STOCK	36,713.39	0.02	3,115	8.48
COMMON STOCK - FOREIGN	9,043,804.61	4.08	143,815	1.59
MUTUAL FUNDS - EQUITIES	57,562,978.29	25.98	301,432	0.52
EXCHANGE TRADED FUNDS-EQUITY	4,822,366.50	2.18	115,219	2.39
<b>TOTAL EQUITIES</b>	<b>132,774,305.81</b>	<b>59.93</b>	<b>1,654,615</b>	<b>1.25</b>
<b>ALTERNATIVE INVESTMENT</b>				
PRIVATE EQUITY	4,141,810.63	1.87	0	0.00
<b>Total Fund</b>	<b>221,555,423.14</b>	<b>100.00</b>	<b>4,415,102</b>	<b>1.99</b>