



**PERALTA COMMUNITY COLLEGE DISTRICT
OTHER POST-EMPLOYMENT BENEFITS TRUST RETIREMENT BOARD**

REQUEST FOR PROPOSAL

RFP No.: _____ **Investment Management Services, Multi-Year Contract**

The Other Post-Employment Benefits (OPEB) Trust Retirement Board (Board) of the Peralta Community College District (District), Oakland, California, is hereby requesting proposals from qualified investment management firms to provide investment management services to the Board.

RFP Information:

RFP Description	Investment Management Services, Multi-year Contract
RFP Number	[<i>Number</i>]
RFP Issued	[<i>Date</i>]
Scheduled Publication Date(s)	[<i>Date</i>]
RFP Response Due Date	[<i>Date</i>]
Submittal Address	[<i>Address</i>]
Submittal Copies	One (1) Original. Four (4) marked copies marked "Copy"
Submittal Envelope Requirements	RFP must be <u>sealed</u> and have the following information <u>clearly marked</u> and visible on the outside of the envelope: <ul style="list-style-type: none"> • RFP Number • Name of your company • Address • Phone number
Late Submittals	Proposals received after the time and date stated above shall be returned unopened to the vendor.

How to Obtain RFP Documents

Copies of the RFP documents may be obtained from:

Available	Location:
Yes	[Address]
Yes	[To be posted on the Retirement Board or District’s website]

Questions about the RFP

Questions and/or Requests for Information (RFI) must be submitted in writing and can be submitted by email as follows:

Primary Contact	[Contact information]
Question / RFI Due Date	[Date] Please submit questions as soon as possible. No questions regarding the RFP will be responded to after the above date. All pertinent questions will be responded to and answered in writing no later than the Response Date listed below.
Response Date	[Date] All pertinent questions will be responded to via addendum faxed (or emailed) to all prospective bidders, and placed on the [website]. Bidders who did not receive a copy of the addendum should download it from the [website]. See “How to Obtain Proposal Documents” section for the web address. All addendums must be acknowledged on the RFP Acknowledgement and Signature Form.

Full Opportunity

The Board hereby affirmatively ensures that Disadvantaged Business Enterprises (DBE), Small Local Business Enterprise (SLBE) and Small Emerging Local Business Enterprise (SELBE) shall be afforded full opportunity to submit bids in response to this notice and will not be discriminated against on the basis of race, color, national origin, ancestry, disability, gender, transgender status, political affiliation or religion in any consideration leading to the award of contract. No qualified disabled person shall, on the basis of disability, be excluded from participating in, be denied the benefits of, or otherwise be subjected to discrimination in any consideration leading to the award. The Board reserves the right to reject any or all proposals, to waive any irregularities or informalities not affected by law, to evaluate the proposals submitted and to award the contract according to the proposal which best serves the interests of the Board.

TABLE OF CONTENTS (to be updated)

Attachments:

	Title	Must be Returned with Proposal
1	Vendor Questionnaire and Certificate by Compliance	Yes
2	Environmentally Sustainable Procurement	Yes
3	Certificate Regarding Workers' Compensation	Yes
4	Statement of Equal Employment Opportunity	Yes
5	Non-Collusion Affidavit	Yes
6	RFP Acknowledgement and Signature Form	Yes
7	Sample Investment Management Services Agreement	No

REQUEST FOR PROPOSAL

1. GENERAL INFORMATION

The Peralta Community College District (District) is comprised of 4 colleges and the District office, all located in Alameda County. The District consists of Berkeley City College in Berkeley, College of Alameda in Alameda, Laney College in Oakland, Merritt College in Oakland, and the District Offices in Oakland.

The District provides post-employment health benefits for certain employees in accordance with its collective bargaining agreements. The Other Post-Employment Benefits (OPEB) Trust (OPEB Trust or Trust) was established in 2005 as a funding vehicle for payment of benefits for employees hired prior to July 1, 2004 who are eligible for post-employment health benefits. The Trust is administered by the OPEB Trust Retirement Board (Board), a separate body from the District's Board of Trustees. The Board is charged with the administration of and investment of the assets of the OPEB Trust, in accordance with the provisions of Article XVI, Section 17 of the California Constitution, and California Government Code sections 53620, 53621, and 53622, and is authorized to engage qualified investment management firms for the purpose of providing investment management services to the Board pursuant to California Government Code section 53060.

The Board is requesting proposals from qualified investment management firms to manage a current portfolio of approximately \$215 million related to the OPEB Trust, including responsibility for directing the investment of the assets of the Trust. The Board will select the most qualified investment management firm to provide investment management services based on the response to this RFP and presentations to the Board by the top candidates.

2. DEFINITIONS

Whenever the following capitalized terms occur in this RFP, they shall have the following meanings:

- A. "Contract" means a legally binding agreement between the Board and the highest ranked sole Proposer that agrees to provide the Board with the investment management services described herein.
- B. "Custodian" means a financial institution that, for compensation, safeguards the securities and other assets of the OPEB Trust.
- C. "Investment Fund Manager" means the person or firm that, for compensation, is responsible for implementing a fund's investing strategy and managing its portfolio trading activities.
- D. "Proposer" means an investment management firm that responds to this Request for Proposals.

- E. "Request For Proposals" or "RFP" means all documents, whether attached or incorporated by reference, utilized for soliciting proposals to provide the Services described herein.
- F. "Services" means the investment management services as described in this RFP.
- G. "Trustee" means a financial institution that, for compensation, manages the securities and assets of the OPEB Trust

3. PROJECT OVERVIEW

The primary objective of this Request for Proposals (RFP) is to receive proposals from qualified investment management firms with experience in providing investment management services related to OPEB trusts and other similar pension funds and manage a portfolio of approximately \$215 million related to the OPEB Trust.

The Board intends to award a Contract to the highest ranked sole Proposer, in accordance with the evaluation criteria set forth herein. The base term of the Contract will be for a period of five (5) years, with two (2) one-year options to renew, at the Board's sole discretion, under the same terms and conditions as the initial Contract. The performance period will commence upon written notice to proceed, and is estimated to begin in _____.

4. MINIMUM REQUIREMENTS

To be considered for the investment management Contract, the Proposer must meet the following minimum requirements:

- A. The Proposer must be a registered investment adviser under the Investment Advisers Act of 1940.
- B. The Proposer must have been in business for a minimum of eight (8) years with a record of high-quality service to public fund clients.
- C. The Proposer's lead manager must have a minimum of ten (10) years professional experience in investment management with public funds.
- D. The Proposer must be providing investment management services to at least three (3) other public funds, which are similar in size and complexity.
- E. The Proposer must have a solid track history for maximizing investment returns within guidelines stipulated in an adopted investment policy specific for an OPEB or similar pension trust.
- F. The Proposer must agree to disclose all potential conflicts of interest as such exist or occur, and annually disclose all sources of revenue and affiliations.

- G. To avoid a conflict of interest under California Government Code sections 1090 *et seq.* or sections 87100 *et seq.*, the Proposer may not advise investment of Trust assets in, or direct the placement of Trust assets in, any investment product for which the Proposer or any affiliated entities would receive revenue or compensation of any kind.
- H. The Proposer will not collect any fees in relation to the OPEB Trust without the Board's written permission. The Proposer must be a fee-for-service investment manager and may not receive any revenue other than on a fee-for-service basis for the delivery of advice to its clients, affiliates, or affiliates' clients.
- I. The Proposer must represent and warrant that it is not in arrears to the Board or District upon any debt or contract, that it has not been declared not responsible, or disqualified, by any agency of the County of Alameda or the State of California, and that there are no proceedings pending relating to the responsibility or qualification of the Proposer to receive public contracts.

5. **SCOPE OF SERVICES**

The Board is seeking proposals from qualified investment management firms to provide the following services:

- A. Analyze the Trust to determine its financial condition, analyze alternative asset mixes to determine their effect on the Trust over alternative planning horizons, and advise the Board regarding the adoption of an appropriate investment policy statement that would determine the appropriate investment structure in light of the current and projected financial characteristics of the Trust. Recommend revisions to the investment policy statement as necessary.
- B. Manage the strategic asset allocation of the OPEB Trust in accordance with agreed upon target ranges and rebalancing policies adopted by the Board.
- C. Select investments and/or Investment Fund Managers and perform an ongoing analytical review of investment options.
- E. Review and implement prospective alternate asset classes and alternate investment vehicles as appropriate.
- F. Advise on prospective alternate asset classes and alternate investment vehicles as appropriate.
- G. Rebalance the portfolio to maintain asset allocation and/or to provide liquidity for cash needs or benefit payments.
- H. Implement the Trust's investment policy and strategies. The Proposer must monitor and review the investment policy on an ongoing basis to assure that it remains appropriate and valid over time.

- I. Review management structure (e.g. active vs. passive, investment style mix) and risk management issues.
- J. Review/analyze the capabilities of current and prospective Investment Fund Managers; oversee current Investment Fund Managers, including periodic reviews, interviews and on-site visits; conduct an investment manager search process to the extent directed by the Board; make selection and termination decisions of Investment Fund Managers; ensure the effective application of investment strategy by each Investment Fund Manager and adherence to the risk controls as stated in the investment contract.
- K. Authorize consent to assignments of Investment Manager Agreements that are technical assignments under the Investment Advisors Act of 1940 with subsequent notification to the Board
- L. Establish appropriate performance benchmarks, goals, objectives, and guidelines for each Investment Fund Manager that are consistent with existing policies.
- M. Ensure that due diligence and oversight of the investment portfolios is conducted, and make available to the Board summaries of periodic due diligence meetings that the firm's staff holds with Investment Fund Managers.
- N. Manage portfolio restructurings resulting from external manager terminations with the assistance of consultants and managers, as needed.
- O. Provide information and/or data to the Board as may be necessary to show the Proposer is fulfilling its fiduciary responsibilities with regard to investments of the OPEB Trust assets.
- P. Report on investment activity and matters of significance at least monthly and attend quarterly meetings of the Board and make presentations regarding investment performance and other reports as provided in this RFP. Attendance at special meetings of the Board may also be required.
- Q. Provide reporting services, as follows:
 - 1) Provide monthly performance reports detailing market performance, portfolio performance, and any aggregate deemed necessary by the Board. These reports are to include current as well as historical data and should be made available no later than the ninth (9th) business day following the end of each month.
 - 2) Provide quarterly comprehensive performance evaluation reports by Investment Fund Manager, asset class and total fund, including benchmark and peer universe comparison, and present to the Board. Reconcile quarterly

the security holdings of each Investment Fund Manager and report any exceptions. In the validation of performance calculations, reconcile individual portfolio performance to the appropriate Investment Fund Manager's calculations, and notify the Board in writing of any discrepancies outside of acceptable tolerances as determined by the Board and its investment management guidelines and other policies and resolutions. Proposer acknowledges the importance of the Board obtaining accurate performance information for its Investment Fund Managers and their respective benchmarks.

- 3) Prepare and present to the Board a quarterly Executive Summary Report to accompany each quarterly performance evaluation report.
 - 4) Annually provide asset allocation reviews, including annual reports that state specific forecast of returns, risks, and correlations for all asset classes, the results of asset allocation simulation modeling performed by the firm, and the recommended asset allocation policy for the Board.
 - 5) Prepare reports containing information relating to institutional investors, investments, economic conditions, markets or securities periodically as requested by the Board.
 - 6) Provide an annual report to the Board describing all business lines from which the firm receives revenue, the amount of such revenue, and any potential conflicts of interest such business lines could have with the firm's ability to provide the services described herein.
 - 7) Provide an annual report to the Board containing the firm's Conflict of Interest policy and a description of any changes made to the policy in the previous year.
 - 8) Provide a securities litigation report on a bi-annual basis or more often as requested by the Board.
- R. Prepare other reports, studies and projects to be determined and agreed to by the Board and the firm.
- S. As directed by the Board, conduct special research required to manage the Account more effectively.
- T. Provide educational sessions and training for the Board and staff upon the Board's reasonable request. Such training shall include any subject applicable to investing OPEB Trust assets including, without limitation, investment strategy and objectives, asset allocation, manager selection and monitoring, investment performance measurement and analysis, fiduciary duties, investment trends and economically targeted investing. The Proposer shall notify the Board of all training conferences sponsored by the Proposer.

6. RFP PROCESS AND PROPOSAL EVALUATION

A. RFP Timeline

The Board intends to adhere to the following timeline which is subject to change at the discretion of the Board:

<u>Activity</u>	<u>Date</u>
RFP Issued.....	_____, 2017
Questions / Requests for Information Due.....	_____, 2017, by 5 p.m.
Board's Responses to Questions	_____, 2017
Proposal Due Date.....	_____, 2017 by 5 p.m.
Interviews (tentative).....	week of _____, 2017
Notice of Intent to Award Posted.....	_____, 2017
Last Day to Protest Award.....	_____, 2017 by 5 p.m.
Board Approval (tentative).....	_____, 2017

B. Examination of RFP Documents

- 1) Before submitting its proposal, each Proposer must (a) examine the RFP documents thoroughly and (b) familiarize itself with any applicable Federal, State and local laws, ordinances, rules and regulations, and standards affecting provision of the Services.
- 2) The selected Proposer will be required to execute a Contract (see proposed Investment Management Services Agreement, Attachment 9) with the Board, describing the Scope of Services to be performed, compensation, insurance requirements and other pertinent provisions.

C. Questions and Requests for Information

Prospective Proposers must carefully examine the RFP documents, including terms and conditions of the Contract. In the event of doubt of anything contained in the RFP, all questions or requests for information about the meaning or intent, discrepancies or omissions of the RFP documents may be submitted to _____ via mail or email (**email is preferred**) until _____, **2017 by 5:00 p.m.** Responses to questions and requests for clarification will be posted to the [**website**], _____, 2017 no later than _____. Only questions answered by formal written addenda will be binding. Oral and other interpretations or clarifications will be without legal effect. Any information given to a prospective Proposer by the Board will be furnished to all prospective Proposers, if that information is necessary in submitting proposals, or if the lack of such information would be prejudicial to other prospective Proposers.

D. Acknowledgment of Addendum/Addenda to the RFP

Each Proposer shall acknowledge receipt of any addendum/addenda to this RFP. Proposers are required to submit the signature page of each addendum, if any, with their proposal.

E. Submission of Proposals

The Proposer shall assume full responsibility for timely delivery as designated for receipt of proposals identified on page 1 of this RFP. If the proposal is submitted by mail, **the envelope must be sealed**, as instructed on page 1, and include the required information on the outside of the envelope. Each proposal delivered by mail or by commercial carriers or messenger services to the Board at the address identified on page 1 shall be stamped with the time and date received; but shall not be opened. The only acceptable evidence to establish the time of receipt is the time/date stamp on the envelope or other documentary evidence of receipt maintained by the Board. The proposal may be submitted by E-mail to the E-mail address identified on page 1 of the RFP. If the proposal is submitted by E-mail, the time/date of receipt shall be the electronic time/date stamp of receipt of the E-mail.

Any proposal received after the deadline for receipt will not be considered for the Contract and will be returned to the Proposer unopened or, in the case of a proposal submitted by E-mail, deleted with attachments unopened. However, an exception may be made when a late proposal would have been timely but for the action or inaction of Board personnel.

Period of Acceptance of Proposals

- 1) In order to allow for adequate evaluation, the Board requires a response to this RFP to be valid and irrevocable for 120 calendar days after submittal date and time.
- 2) No Proposer may withdraw a proposal within 120 days after the deadline to submit proposals. Mistake on the part of the Proposer in preparing the proposal confers no right for the withdrawal of the proposal after it has been opened. Should there be valid reasons why the Contract cannot be awarded within the specific period, the time may be extended by mutual agreement between the Board and the Proposer.

G. Modification, Withdrawal, Mistakes, and Minor Informalities

- 1) Modification or Withdrawal

Proposals may be modified or withdrawn prior to the established due date via email or mail request. Please refer to Section C “Questions and Requests for Information” for contact information.

- 2) Mistakes in Proposals (Discovered Before Due Date)

A Proposer may correct mistakes in a proposal prior to the time and date of the Proposal due date by submitting a replacement proposal clearly indicating it supersedes the original submittal.

H. Evaluation of Proposals

Proposals will be screened to ensure responsiveness to the requirements of the RFP. The Board may reject any proposal as non-responsive that does not provide evidence of the required minimum experience and qualifications or include the documents requested herein and referenced in the list of Attachments on page 4 of this RFP. False statements in a proposal will disqualify the proposal. The Board reserves the right to request additional information and clarifications during the evaluation and selection process from any or all Proposers regarding their proposals.

- 1) *Evaluation Committee*

The Evaluation Committee, which is composed of Board members, staff, or other qualified persons designated by the Board, will review and screen the proposals submitted according to the weighted criteria and process indicated below. While cost is one basic determinant for award, it is not the sole consideration. Additional general factors that will be considered are how well the Proposer understands the Board’s requirements as specified in this RFP, and the qualifications, experience, and organization of the Proposer and its personnel. The Evaluation Committee’s composite scores for all steps of the

evaluation process will comprise the official record for the proposal evaluation process; individual evaluation records will not be available for public inspection at any point during or after the evaluation process.

2) *Interviews and Presentations*

- a) Following the initial review and evaluation of proposals, some Proposers may be invited to participate in the next step of the proposal selection process. This may include the submission of additional information, as described below, and/or participation in an oral interview. If the Board conducts interviews, they will do so only with those Proposers initially found to be within the “competitive range.” If a further step of the evaluation is required, in the form of an oral interview, the same weighted evaluation criteria used to evaluate the written responses shall be used. The final single score on each Proposer in the “competitive range” will be comprised of all aspects of the response review, both written and oral.

Interviews, if held, are tentatively scheduled for the week of _____, 2017 and will be held at _____. This date is subject to change.

- b) The Board reserves the right to further reduce the “competitive range” at any time during this step of the evaluation and selection process and the Board may hold simultaneous discussions with those Proposers that remain in the “competitive range.” Proposers who are no longer in the “competitive range” will be notified as soon as it is practicable and will thereafter not continue in the selection and evaluation process.

3) *Evaluation Criteria*

The maximum possible total combined score for a proposal is 100 points.

- a) **Approach to Scope of Services** **0-40 points**

The Proposer’s overall methodology to successfully providing the Services will be assessed for its feasibility, responsiveness to the Scope of Services, effectiveness and thoroughness. Proposals will be evaluated on, but not limited to:

- i. Knowledge of industry, laws, regulations, legislative updates and best practices.
- ii. Processes and/or measures for investing the assets of the OPEB Trust.
- iii. Processes and/or measures for monitoring, evaluating and tracking investment performance.

- iv. Reporting capabilities and ability to present data to the Board in a clear and concise manner (i.e. layman's terms).
- v. Ability to provide training/education sessions to the Board.

b) **Qualifications and Experience of Investment Manager** **0-35 points**

The capabilities of each Proposer will be assessed on:

- i. Proposer's qualifications, length of time in business and experience successfully providing the Services described herein for public agencies.
- ii. Assigned investment manager's qualifications and experience in providing the specified Services.
- iii. Availability of designated staff, account representative(s) and other team members assigned to work with the Board.

c) **Cost Proposal** **0-20 points**

Costs will be evaluated on costs the Board or other comparable public entities or trust funds have paid for similar services and in accordance with what is considered to be the industry's standard and customary for the Services.

d) **Additional Services** **0-5 points**

This portion of the proposal will be evaluated on any special expertise for the various services requested or any services proposed by the Proposer which are not listed in the Scope of Services.

I. Basis for Award

It is the intent of the Board to award a Contract to the highest ranked **sole** Proposer, in accordance with the evaluation criteria set forth herein. Contract award, if any, shall be made to the highest ranked Proposer, as determined by the Evaluation Committee, based on the factors described above in Part H, Section 3, "Evaluation Criteria".

In the event a mutually satisfactory Contract cannot be negotiated with the highest ranked Proposer, negotiations may be terminated by the Board and commenced with the next highest ranked Proposer. If the Contract, resulting from the award of this RFP, shall terminate or be likely to terminate, the Board may extend the Contract to the next highest ranked Proposer.

J. Award and Protest

The Board will post a Notice of Intent to Award on [website] for five (5) business days prior to awarding the Contract. If any Proposer, prior to the award of the Contract, files a protest with the Board on the grounds that the (protesting) Proposer would have been awarded the Contract had the Board correctly applied the evaluation standards in the RFP or if the Board followed the evaluation and scoring methods in the RFP, the Contract shall not be awarded until either the protest has been withdrawn or the Board has decided the matter. A protest should include a full and complete written statement specifying the grounds for the protest and should be submitted to the Board by certified or registered mail to:

[Contact]

[Address]

7. CONTENT OF PROPOSALS

The following documents and responses shall be included in the proposal in the order given below:

A. Transmittal Letter

- 1) An individual authorized to bind the firm shall sign the transmittal letter. Include the firm's mailing address, electronic mail address, fax number and phone number.
- 2) The firm must certify in the transmittal letter that the contents of the proposal are true and accurate, and that the firm has not made any knowingly false statements in its proposal.
- 3) An individual authorized to bind the firm shall sign and attach the Non-Collusion Affidavit (Attachment 7 to the RFP) to the transmittal letter to the original proposal only.

B. Organizational Summary

- 1) List the address of your main corporate office and indicate which office(s) will service the Board.
- 2) Describe the total staff of your firm and designate support staff, analysts and professionals.
- 3) Describe the services your firm provides and give the percentage of revenue derived from investment management.
- 4) Within the past three (3) years, have there been any significant developments in your organization such as changes in ownership, restructuring, personnel

reorganizations, terminations or investigations? Do you anticipate future significant changes in your organization?

- 5) Describe how your firm manages growth, including any limits to the client/investment manager ratio.
- 6) Describe the firm's philosophy as it pertains to investment management.
- 7) Does your firm, its principals, parent, subsidiary, or any affiliate own any part of an investment management firm, broker-dealer, or other organization that sells services to institutional investors and/or SEC-registered investment advisers? If so, identify the firm(s) and describe the services provided by such firm and the relationship to your firm.
- 8) Briefly describe your firm's disaster recovery plan.
- 9) The District, with its colleges and other partners, provides its diverse students and communities with equitable access to the educational resources, experiences, and life-long opportunities to meet and exceed their goals. The District also provides educational leadership for the East Bay, delivering programs and services that sustainably enhance the region's human, economic, environmental, and social development. Please tell us about your firm and how its history, values, and approach to providing services align with the District's mission.

C. Qualifications and General Experience

- 1) Is your firm registered with the SEC or a state securities regulator as an investment adviser? If yes, provide the firm's SEC file number. Are all the disclosures required under those laws attached to your proposal?
- 2) Attach your firm's current Form ADV Part I and Part II and audited Annual Financial Report. Also, please provide a copy of your most recent SEC Deficiency Letter. If unavailable, please explain.
- 3) What types of regulatory audits and oversights is your firm subject to?
- 4) Is the firm willing to be subject to the laws of the State of California and local jurisdictions and the jurisdiction of its court system in the administration of the Contract?
- 5) Will the firm contractually agree to be a "fiduciary" to the Board as defined in the California Constitution, Article XVI, section 17, and to perform the fiduciary duties imposed on a fiduciary thereunder?

- 6) Provide a listing of current and former public fund clients. Include the size of the client organization, the type of organization, the services provided, and the number of years services were provided by your firm to each.
- 7) Describe the make-up of your client base in terms of assets for which you are directly responsible for managing the portfolio in a manner similar to that above:

Assets Directly Managed: Less than \$5 million, \$5 million to \$25 million, \$26 million to \$100 million, \$101 million to \$500 million, and more than \$500 million.

D. Standards of Conduct and Conflicts of Interest

- 1) Does your firm have a written code of conduct or a set of standards for professional behavior? If so, how is it monitored and enforced?
- 2) How are your managers' recommendations to clients reviewed and monitored by your organization? Does your firm adhere to a level of consistency in manager recommendations?
- 3) Within the last five years, has your organization or an officer or principal been involved in actual or threatened litigation, administrative or regulatory, or similar investigation proceedings relating to your investment management assignments? If so, provide an explanation and indicate the current status or disposition. Include any censures or reprimands received from regulatory bodies.
- 4) Has your firm ever been required to pay damages or penalties or trade or relinquish something of value under any of its existing or past contracts as it relates to services similar to those contemplated by this RFP? If so, describe the situation.
- 5) Does your firm have compliance officers registered with the NASD?
- 6) Does your firm have any policies or procedures to address conflicts of interest or to prevent these payments or relationships from being considered when you provide advice to your clients? If so, describe them.
- 7) Are there any potential conflict of interest issues your firm would have in serving the Board? If so, describe them.
- 8) Does your firm receive any soft dollar revenues from investment managers through an affiliate broker? If yes, what percentage of soft dollar revenues in each of the last three calendar years was due to client direction?

E. Management Team

- 1) Provide contact information for each investment manager that will be assigned to the Board in a grid similar to this:

Name	Address	Business Phone	Business Fax	E-mail Address

- 2) Describe the role of each investment manager for this assignment.
- 3) Provide biographies for all members of the team, listing experience, education, expertise, professional designations, relevant publications and presentations.
- 4) Describe your team's experience with similar work as described in this RFP performed for other public funds or similar institutional investors.
- 5) Provide the total assets, number of clients advised, and any other duties assigned to the primary manager who would be responsible for the Trust's account.
- 6) Describe your firm's backup procedures in the event that key personnel in this assignment should leave the firm or become incapacitated.

F. References and Former Clients

- 1) Provide a list of three (3) public fund clients as references, including name, contact, telephone number, asset values and number of years the client has retained your firm, and product(s) or service(s) the client uses.
- 2) Please provide three (3) references for clients who are your strongest advocates and the corresponding contacts.
- 3) Provide the name, contact, title, telephone number and asset size of all clients who have terminated your firm's services in the last three (3) years. In each case, detail the reason for termination.

G. Asset Allocation

- 1) Is your firm capable of performing asset/liability modeling studies?
- 2) Describe the methodology of the asset allocation models your firm employs. How do you develop asset class assumptions?

- 3) Describe your firm's position/approach on the use of active versus passive management in the major asset classes.
- 4) Describe your policy for changes to an OPEB or pension trust fund's asset allocation with changes in the market environment.
- 5) Describe your firm's capabilities and experience in illiquid investments, such as real estate and alternative investments.
- 6) Describe your firm's methodology for identifying and evaluating new investment opportunities.
- 7) Please note any significant contributions your firm has made in developing and defining "best practices" in the OPEB trust or similar pension fund investment management field.

H. Investment Policies

- 1) Describe your approach in assisting the Board in maintaining an investment policy statement.
- 2) Describe your capabilities in developing policies and procedures to ensure that the Board's investment policy statement is routinely reviewed and revised.

I. Investment Fund Manager Searches and Due Diligence

- 1) Describe your experience in selecting Investment Fund Managers.
- 2) Describe your firm's process for evaluation and selection of Investment Fund Managers.
- 3) Do you charge Investment Fund Managers direct or indirect fees to be included in searches or require them to direct transactions toward favored brokers/dealers?
- 4) Does your firm maintain an in-house database of Investment Fund Managers? If not, from what vendor do you purchase the database? How many managers/products are contained in the database(s) that you use?
- 5) For firms that have an in-house database:
 - a. Do you charge Investment Fund Managers direct or indirect fees to be included in your firm's database? If so, describe the fees.
 - b. Describe your methodology and criteria for classification of Investment Fund Managers by investment style, size, etc.

- c. How often are Investment Fund Managers in your database reviewed? Under what circumstances are Investment Fund Managers added to or deleted from your database?
- d. How often do you meet with Investment Fund Managers that are included in your database?
- e. Do you use additional databases in addition to your internal one? If so, please describe.

J. Performance Evaluation

- 1) Is your firm compliant with the Global Investment Performance Standards (GIPS) promulgated by the Investment Performance Council of the CFA Institute?
- 2) Describe how the Trust's performance would be compared to similar portfolios and universes. Specifically, do you have access to a universe of OPEB trust funds? If so, please describe.
- 3) Can your firm provide custom benchmarks and reports, including investment style benchmarks and universe rankings? Are the returns in your universe ranking actual client returns or composite returns as reported by managers?
- 4) Describe your capabilities in the development of risk/return characteristics of the asset mix as a whole and of each asset category and manager style.
- 5) What asset classes are tracked in your performance measuring system? How many managers are included within each asset category? How many years of performance data are on the system for each asset class?
- 6) Do you reconcile your calculated performance with investment managers' and custodians' reports? If yes, describe the process and how any discrepancies are resolved.
- 7) Describe your firm's performance attribution process and reports.
- 8) Do you conduct regular internal audits of your performance measurement systems and the staff creating the reports?

K. Reporting

- 1) What period of time is required to prepare reports after the end of each month?

- 2) Give a brief overview of the hardware and software systems used in the production of performance reports.
- 3) Describe your general approach, capabilities and experience in providing performance evaluation services.
- 4) Please attach sample performance reports.

L. Research

- 1) Describe your firm's process for monitoring industry and market trends affecting investment funds with similar balances and characteristics.
- 2) Describe any external resources and sources of information that are used in your firm's research. How does your firm integrate external and internal research?

M. Transition Methodology

- 1) If your firm was selected to provide investment management services to the Board, describe the key activities that your firm would perform in the first 30, 60, 90, and 180 days. If your firm would be assuming direct management of the Trust's assets, would this change your transition methodology?
- 2) Describe the process and timing that your firm would deploy when terminating one Investment Fund Manager and moving funds to another Investment Fund Manager. Specifically address the moving of both equities and fixed income.

N. Education for Board

- 1) Detail your firm's approach to conducting education and training for the Board. Provide examples of training materials and a calendar of training sessions, if applicable.

O. Insurance and Liability

- 1) Describe the levels of coverage for error and omissions insurance and fiduciary or professional liability your firm carries. Is the coverage on a per client basis, or is the dollar figure applied to the firm as a whole?
- 2) Is your firm rated by a rating agency? If so, what is your rating?
- 3) Describe the level of cyber security insurance your firm carries.

P. Fees

- 1) Provide a proposal regarding the fees to be paid to your firm for the services identified in the Scope of Services, Section 5, parts A through Q. The proposal should provide a fee that is all-inclusive for those services. Please describe the fee structure for the services identified in the Scope of Services, Section 5, parts R through T. If fees are charged for those services on a per hour basis, please provide hourly rates for all individuals assigned to the Board’s account. Please note that no reimbursement will be provided for travel time, expenses, telephone costs, copying costs, etc.

	Total Fee-Management Services	Total Fee-Fiduciary Direct Management of Trust Assets
Year 1		
Year 2		
Year 3		
Year 4		
Year 5		
Optional year 1		
Optional year 2		

- 2) Provide a timeline for how long the fees will stay in effect.
- 3) State any additional assumptions on which the fees are based.

Q. Proposed Contract Revisions

- 1) The Board proposes use of the Investment Management Services Agreement attached to this RFP as Attachment 9. Please provide any comments, reservations, objections and contract revisions you require with your response to the RFP.

R. Additional Information

- 1) Describe areas or processes, not included in the scope of this engagement, that your firm may examine in order to provide more complete and thorough services.
- 2) Provide any additional information that you believe to be relevant to the RFP and your capability to provide the Services requested.

Note: Do not include any promotional or display material to supplement your proposal.

8. BOARD’S RIGHTS

- A. The Board reserves the right to cancel this RFP in whole or in part, at its sole discretion, at any time before the Contract is fully executed. This RFP does not commit the Board to award a Contract, to pay any costs incurred by Proposers in the preparation of their proposals submitted in response to this RFP, or to procure or contract for services. The Board reserves the right to accept the proposal it considers most favorable to the Board's interest at its sole discretion, and to waive irregularities or informalities in any proposal or in the proposal procedures.

The Board further reserves the right to reject all proposals and seek new proposals when the Board considers such a procedure to be in its best interest. If there is any evidence indicating that two or more Proposers are in collusion to restrict competition or are otherwise engaged in anti-competitive practices, the proposals of all such Proposers shall be rejected, and such evidence may be a cause for disqualification of the participants in any future RFPs issued by the Board.

- B. The Board reserves the right to hold discussions and/or negotiations with any Proposer, to interview or not, to request additional information or revised proposals or to request best and final offers (BAFO) if it is in the best interest of the Board to do so.

However, the Board may make an award without conducting any interviews or negotiations; therefore, Proposers are encouraged to submit their best proposal at the outset. In order to be considered, the party submitting a proposal waives the right to bring legal proceedings challenging the Board's choice of the award.

9. EX-PARTE COMMUNICATIONS

Proposers and Proposers' representatives may not communicate with the Board except in writing and if the communication is made public. Proposers and Proposers' representatives must communicate in the manner set forth in this RFP. There shall be no communication with any officer, director, employee, or agent of the Board, except as may be reasonably necessary to carry out the procedures specified in this RFP. Nothing herein prohibits Proposers and their representatives from making oral statements or presentations in public to one or more representatives of the Board during a public meeting.

10. CONFIDENTIALITY

- A. All responses to this RFP become property of the Board and will be kept confidential until a recommendation for award of a contract has been announced. Thereafter, submittals are subject to public inspection and disclosure under the California Public Records Act (Cal. Govt. Code Sections 6250 et seq.). Therefore, unless the information is exempt from disclosure by law, the content of any proposal, request for explanation, exception, or substitution, response to these specifications, protest, or any other written communication between the Board and any Proposer regarding the procurement, shall be available to the public.

- B. If a Proposer believes any communication contains trade secrets or other proprietary information that the Proposer believes would cause substantial injury to the Proposer's competitive position if disclosed, the Proposer shall request that the Board withhold from disclosure the proprietary information by marking each page containing such proprietary information as confidential. By submitting a proposal with portions marked "confidential," a Proposer represents it has determined such portions qualify for exemption from disclosure under the California Public Records Act. A Proposer may not designate its entire Proposal as confidential nor may a Proposer designate its cost proposal as confidential. The Board will not honor such designations and will disclose submittals so designated to the public.
- C. If a Proposer requests that the Board withhold from disclosure information identified as confidential, and the Board complies with the Proposer's request, Proposer shall assume all responsibility for any challenges resulting from the non-disclosure, indemnify and hold harmless the Board from and against all damages (including but not limited to attorneys' fees that may be awarded to the party requesting the Proposer information), and pay any and all costs and expenses related to the withholding of Proposer information. Proposer shall not make a claim, sue, or maintain any legal action against the Board or its directors, officers, employees, or agents concerning the withholding from disclosure of Proposer information.
- D. If a Proposer does not request that the Board withhold from disclosure information identified as confidential, the Board shall have no obligation to withhold any information from disclosure and may release any information sought without any liability.

11. MISCELLANEOUS

A. Costs of Participating in Selection Process

Costs for developing responses to this RFP, and participating in selection meetings are entirely the responsibility of the firm submitting the proposal. The Board will not pay any cost incurred by any proposing firm.

B. Legal Compliance

Each Proposer must comply with all laws, ordinances, regulations and codes of the Federal, state, and local governments which may in any way affect the preparation of proposals or the performance of the Contract.

C. Representations

No representations or guarantees of any kind, either made orally, or expressed or implied, are made with regard to the matters contained in this document, including any attachments, letters of transmittal, or any other related documents. Each Proposer must rely solely on its own independent assessment as the basis for the submission of any offer made.

The Board is identifying vendor workforce as follows:

	Asian-American (Chinese, Japanese, Korean, Vietnamese)	Black or African-American	Filipino	Latino (other than Mexican or Mexican-American)	Mexican or Mexican-American	Native -- American	Pacific Islander, other Asian	White	Disabled	Veteran	Women	Subcontractor	Employee	Apprentice
Total #														
% of asset														

Explain whether current workforce is racially and ethnically proportionate to the area from which the workforces are drawn (national, state, or local). Use separate sheet if necessary.

Details steps taken by vendor since inception to assure non-discriminatory recruiting, hiring, and apprenticeship, placement, promotion, demotion, layoff and termination practices. Use separate sheet if necessary.

What services are you interested in providing the Board (e.g. construction, management, goods, etc.)?

Main Headquarters Office(s) Address/Telephone (List all as applicable)	1. 2. 3.
--	------------------------

Total # of Employees _____

Local Office(s) Address/Telephone (List all as applicable)	1. 2. 3.
--	------------------------

Total # of Employees _____

Name and list residential zip code for each employee, subcontractor, or apprentice for awarded contract. Please use the Zip + 4®. Use separate sheet as necessary.	1. 2. 3. 4. 5. 6. 7.
--	--

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Contractor Name: _____ Title: _____

Authorized Signature: _____ Date: _____



Peralta Community College District

CERTIFICATE REGARDING WORKERS' COMPENSATION

Labor Code Section 3700 in relevant part provides:

"Every employer except the State shall secure the payment of compensation in one or more of the following ways:

- (a) By being insured against liability to pay compensation in one or more insurers duly authorized to write compensation insurance in this State.
- (b) By securing from the Director of Industrial Relations a certificate of consent to self-insure, which may be given upon furnishing proof satisfactory to the Director of Industrial Relations of ability to self-insure and to pay any compensation that may become due to his employees."

I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this Contract and will require all subcontractors to do the same.

Contractor

By: _____

(In accordance with Article 5 [commencing at Section 1860], Chapter 1, Part 7, Division 2 of the Labor Code, the above certificate must be signed and filed with the awarding body prior to performing any work under this Contract.)



Peralta Community College District

NON-COLLUSION AFFIDAVIT

(To be executed by Vendor and submitted with the Proposal)

RFP No. _____ Investment Management Services, Multi-Year Contract

State of California, County of _____

(Name) _____, being first duly sworn, deposes and says that he or she is (title) _____ of (company) _____ the party making the foregoing bid that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and, further, that the bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Date: _____

Signature: _____



Peralta Community College District

RFP Acknowledgement and Signature Form

RFP No. _____ Investment Management Services, Multi-Year Contract

The undersigned having carefully examined the RFP and accurately provided the required response to the RFP, proposes to enter into a contract with Other Post-Employment Benefits (OPEB) Trust Retirement Board (Board) of the Peralta Community College District to perform the services listed in this RFP, including all of its component parts, and to furnish any and all required labor, materials, equipment, insurance, bonding, taxes, transportation and services required for this project in strict conformity with the RFP.

Addendum Acknowledgement

The following addendum(s) are acknowledged in this RFP: _____

Acknowledgment and Signature:

1. No proposal is valid unless signed in ink by the person authorized to make the proposal.
2. I have carefully read, understand and agree to the terms and conditions on all pages of this proposal. The undersigned agrees to furnish the services stipulated on this proposal.

Vendor Name: _____ Title: _____

Contact Person: _____

Address: _____

Telephone: _____ Fax: _____

Federal Tax Identification Number: _____

Authorized Signature: _____ Date: _____

Decline Proposal:

We do not wish to submit a Proposal in response to this RFP. Please state your reason below. Please also indicate if you would like to remain on our vendor list.

Reason:

Company: _____ Address: _____

Name: _____ Signature: _____ Date: _____

AGREEMENT FOR INVESTMENT MANAGEMENT SERVICES

This Agreement (“Agreement”) is entered into on the _____ day of _____, 2017, by and between the Other Post-Employment Benefits Trust Retirement Board (“Board”) of the Peralta Community College District (“District”) and _____ (“Investment Manager”).

WHEREAS, the District has adopted and maintains the Peralta Community College District Retiree Healthcare Plan (the "Plan") for the purpose of providing welfare benefits to certain eligible employees; and

WHEREAS, the District has entered into the Indenture of Trust, dated as of December 1, 2005, between the District and Deutsche Bank National Trust Company, relating to \$153,749,832.25 Peralta Taxable 2005 Limited Obligation OPEB (Other Post-Employment Benefit) Bonds (the "Indenture"), and Section 4.01 of the Indenture provides that these bonds are secured by a pledge of and lien on amounts held in the Retiree Health Benefit Program Fund; and

WHEREAS, the District is authorized under Section 4.06 of the Indenture to request the trustee under the Indenture to transfer funds held by the trustee to a third party custodian to be invested as determined by the District (or its appropriated delegated representative) in accordance with California Government Code section 53622; and

WHEREAS, U.S. Bank National Association pursuant to the Agreement of Resignation, Appointment and Acceptance dated June 21, 2013, became the successor trustee to Deutsche under the Indenture (in such capacity, "U.S. Bank"); and

WHEREAS, the District has authorized and the Plan appoints the Board for purposes specified therein, including for the purposes of appointing a custodian to maintain custody of the assets and a trustee to hold in trust all funds contributed to the Plan and grants the Board the authority to enter into an agreement pursuant to which a trust shall be created for such purpose; and

WHEREAS, the Board, acting on behalf of the District under a delegation made under California Government Code section 53621, has engaged a trustee to maintain custody of certain of the funds transferred from the District’s Retiree Health Benefit Program Fund under the Indenture as is permissible for the Board to do under Section 4.6 of the Indenture, to be known as the “Peralta OPEB Retiree Medical Trust 1” (hereinafter, “Trust”) as a funding vehicle for payment of benefits under the Plan for employees hired prior to July 1, 2004 who are eligible for post-employment health benefits; and

WHEREAS, the Trust is administered by the Board, a separate body from the District’s Board of Trustees; and

WHEREAS, the Board is charged with the investment of the assets of the Trust, in accordance with the provisions of Article XVI, Section 17 of the California Constitution, and California Government Code sections 53620, 53621, and 53622, and is authorized to engage an investment manager for the purpose of providing investment management services to the Board pursuant to California Government Code section 53060, and

WHEREAS, the Board desires to obtain investment management services in connection with Request for Proposals (“RFP”) No. _____, and issued the RFP dated _____, 2017, a copy of which is attached, as Exhibit A, and incorporated herein, and

WHEREAS, Investment Manager desires to furnish the services described in the RFP and has submitted a written proposal dated _____, 2017, and

WHEREAS, copies of relevant portions of the Investment Manager-provided materials described in the preceding sentence are attached, as Exhibit B, and incorporated herein,

NOW, THEREFORE, in consideration of the mutual promises, covenants, terms and conditions hereinafter set forth, the parties hereby agree as follows:

1. PERFORMANCE OF SERVICES

Investment Manager agrees to provide professional investment management services to the Board in accordance with the terms and conditions of this Agreement, including Exhibit A and Exhibit B.

2. SCOPE OF SERVICES

The scope of services that Investment Manager will provide consist of the services set forth in Exhibit A, Section 5.

3. OPEB TRUST INFORMATION

The Board agrees to provide Investment Manager with reasonably necessary and appropriate information for Investment Manager to perform its obligations under this Agreement, as requested by Investment Manager from time to time, including a written summary of any investment limitations or restrictions. The Board agrees to inform Investment Manager within a reasonable time of any change in circumstances affecting the needs or goals of the Board.

4. TERM OF AGREEMENT

The term of this Agreement is from _____ to _____, with the option, at the Board's sole discretion, to extend for two additional one-year periods, unless terminated sooner in accordance with Section 19 of this Agreement. Upon expiration of this Agreement, the provisions of Section 19 of this Agreement regarding termination apply.

5. KEY PERSONNEL

At all times during the term of this Agreement [*lead Investment Manager's name*] shall serve as the primary staff person of Investment Manager to undertake, render and oversee all of the services under this Agreement. Upon written notice by Investment Manager and approval by the Board, which will not be unreasonably withheld, Investment Manager may substitute this person with another person, who possesses similar qualifications and experience for this position.

6. COMPENSATION

A. Fees for Services

The Board will pay compensation to Investment Manager in accordance with the following fee schedule:

	Total Fee
--	-----------

Year 1	
Year 2	
Year 3	
Year 4	
Year 5	
Optional year 1	
Optional year 2	

Investment Manager represents and warrants that the rate of the fees paid by the Board is not and will not be higher than any investment management fee paid or payable by any other tax-exempt client of Investment Manager with investment management services comparable to the services required under this Agreement. If Investment Manager charges a lower fee to a fund of similar size and complexity, then Investment Manager will reduce the fees for the Board accordingly.

B. Fee Limitation

The fees described in this Section are all-inclusive and cover all services provided under this Agreement, including but not limited to investment policy development, asset allocation assistance, regular rebalancing, manager selection and monitoring, and quarterly and annual performance reporting. Investment Manager will not be reimbursed for travel time, expenses, telephone costs, copying costs, etc. Unless the Board provides advance written consent, no additional fees or other costs of any kind shall be charged, directly or indirectly, to the Board or the Trust assets for services provided under this Agreement. To the extent additional work is undertaken as agreed to by the Board in writing and in advance, such additional work will be charged based on the terms agreed to by the parties.

C. Payment of Fees

- i. All fees under this Section 6 will be payable by the Board only to Investment Manager, and not to any subcontractor or other vendor engaged to provide services under this Agreement.
- ii. Fees shall be paid monthly in arrears. At the end of each calendar month, Investment Manager shall prepare and submit to the Board an invoice for fees then due under this Agreement.
- iii. All undisputed invoices will be paid within _____ days of receipt.
- iv. If the Board has a genuine good faith dispute in relation to all or any portion of an invoice submitted by Investment Manager, the Board may withhold payment of the amount subject to dispute and will notify Investment Manager within ____ days of receipt of the disputed invoice of the withheld amount. If all or any portion of the disputed amount becomes payable, the Board will make payment of such amount within ____ days of the date the parties agree such amount is due by the Board.
- v. Annual fees under this Agreement will be pro-rated to reflect the monthly billing cycle, and to reflect any period when services are provided for less than a full month. If this Agreement is terminated by either the Board or Trustee effective as of a date which is not the end of a calendar month, the Board shall pay Trustee a pro rata portion of the fee payable hereunder through the written receipt of such notice based on the actual number of days of such month that have elapsed.

- vi. No payment made to the Trustee shall constitute a waiver of any claim or right that the Board may have against the Trustee.
- vii. The Board may withhold payment on or offset against an invoice or a portion thereof in an amount and to such extent as may be reasonably necessary to protect the Board from loss because of:
- viii. the Trustee's failure to perform services in accordance with the Agreement;
- ix. third-party claims, suits, or liens arising out of or relating to the Trustee's performance of services under the Agreement, except to the extent secured or provided for by insurance, bond, or otherwise to the Board's reasonable satisfaction; or
- x. the Trustee's failure to pay money to the Board when due.
- xi. Notwithstanding any provision to the contrary, the Board shall have no obligation to make any payment to the Trustee at any time, after notice to the Trustee when the Trustee is in material breach of the Agreement; or
- xii. the Trustee fails to furnish and maintain evidence of current insurance in accordance with the requirements of the Agreement.

D. Expenses

- i. Investment Manager shall furnish at its own expense all necessary administrative services, office space, equipment, clerical personnel, telephone and other communication facilities, and investment management facilities. Investment Manager shall not be reimbursed for travel expenses.
- ii. Except as expressly provided otherwise herein, the Trust shall pay all of its own expenses including, without limitation, taxes, expenses of an investment fund, expenses of the Trust's actuary, independent auditors and legal counsel, if any, and fees and expenses of administration of the Trust.

E. Other Services

If and to the extent that the Board requests that Investment Manager render services beyond the scope of this Agreement, such additional services will be compensated separately on terms to be agreed upon between the Board and Investment Manager at the hourly or other rates specified in Exhibit B, Section 7.P.

F. Conflicting Provisions

Notwithstanding anything to the contrary, the terms of this Section override any conflicting provisions in the attached Exhibits A and B regarding fees.

7. REGISTERED INVESTMENT ADVISER; FIDUCIARY STATUS

- A. Investment Manager hereby represents that it is a registered investment adviser under the Investment Advisers Act of 1940. Investment Manager shall immediately notify the Board if at any time during the term of this Agreement it is not so registered or if its registration is suspended.
- B. The Investment Manager acknowledges and agrees that it is a fiduciary of the Plan, and as such, with respect to the investment and other discretionary Trust asset management services provided under this Agreement, the Investment Manager is subject to California

Government Code section 53622 with respect to those funds held in trust hereunder. In accordance with California Government Code section 53622, the Investment Manager agrees that, in performing any duty allocated to the Investment Manager under this Agreement, the Trustee shall discharge its duties (i) solely in the interest of, and for the exclusive purposes of, providing benefits to participants in the Plan, minimizing employer contributions thereto, and defraying reasonable expenses of administering the Plan; (ii) with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims, and (iii) shall diversify the investments of the funds so as to minimize the risk of loss and maximize the rate of return, unless under the circumstances it is clearly prudent not to do so.

- C. The federal securities law imposes liabilities under certain circumstances on persons who are required to act in good faith. Nothing in this Agreement in any way constitutes a waiver or limitation of rights that the Board or Trust may have under any federal or state securities laws.

8. SUSPENSIONS, COMPLAINTS

Investment Manager shall promptly give notice to the Board if Investment Manager receives written notice of the filing against it or any professional of Investment Manager who has performed any service with respect to the Trust in the 24 preceding months, of any complaints or disciplinary actions by the Securities and Exchange Commission or any other agency or department of the United States, any registered securities exchange, the NASD, any Attorney General or any regulatory agency or authority of any State.

9. NOTICES

- A. All communications relating to the day-to-day activities of the Investment Manager in providing services to the Board will be exchanged between the Board (or its designee) and [*Lead Investment Manager's name*].
- B. All notices required to be given, or which may be given by either party to the other, shall be deemed to have been fully given and fully received when made in writing and deposited in the United States mail, registered and postage prepaid and addressed to the respective parties as follows:

If to the Board:

OPEB Trust Retirement Board
Peralta Community College District
Attn: OPEB Trust Retirement Administrator [Verify title of new position]
333 East 8th Street
Oakland, CA 94606

If to Investment Manager:

Investment Manager
Attn: [name]
[Address]
[City, State and zip code]

Notification of a change in the name of the contact person shall be in writing.

10. OWNERSHIP OF WORK

- A. All reports, analyses, charts, tables, schedules and all other materials prepared, or in the process of being prepared, for the services to be performed by Investment Manager are the property of the Board. The Board will be entitled to access and copies of these materials during the progress of the work. Any such materials remaining in the hands of Investment Manager or in the hands of any subcontractor or other vendor providing services under this Agreement upon completion or termination of work will be immediately delivered to the Board. If any materials are lost, damaged or destroyed before final delivery to the Board, Investment Manager shall replace them at its own expense and Investment Manager assumes all risk of loss, damage or destruction of or to such materials.
- B. Any and all rights of copyright to materials prepared under this Agreement are, to the extent permitted by law, hereby assigned to the Board. Investment Manager agrees to execute any additional documents which may be necessary to evidence such assignment.

11. CONFIDENTIALITY

Any Board materials to which Investment Manager has access or work prepared by Investment Manager during the course of this Agreement (“Confidential Information”) will be held in confidence by Investment Manager, who will exercise all reasonable precautions to prevent the disclosure of Confidential Information to anyone except the officers, employees and agents of Investment Manager as necessary to accomplish the performance of services to be performed under this Agreement. Except as required by law, Investment Manager will not release any reports, information, or promotional materials prepared in connection with this Agreement whether confidential or not to any third party without prior written approval of the Board. To the extent permitted by law, Investment Manager shall notify the Board in advance of releasing any reports, information or promotion materials that Investment Manager is required to disclose by law.

12. SUBCONTRACTORS

Investment Manager shall not subcontract any services to be performed by it under this Agreement without the prior written approval of the Board, except for service firms engaged in drawing, reproduction, typing and printing. Investment Manager shall be solely responsible for reimbursing any subcontractors and the Board will have no obligation to them.

13. INDEMNIFICATION

Investment Manager shall indemnify, defend and hold harmless the Board, its members, designees, directors, officers, representatives, employees, contractors, agents, successors and assigns, and the District from and against any and all liability, claims, damages, losses, expenses (including but not limited to reasonable attorneys’ fees, arbitration costs, judgments, fines, and amounts paid in settlement), actions, demands, and suits whatsoever caused by, arising from, or related to the Investment Manager’s performance of services provided under this Agreement, including any act or omission of Investment Manager, or any of its directors, officers, members, agents, representatives, employees, or subcontractors. Investment Manager further agrees to defend any and all such actions, suits or claims and pay all reasonable attorneys’ fees and all

other incurred costs and expenses. If any judgment is rendered against the Board or any of the other individuals enumerated above in any such action, Investment Manager shall, at its own expense, satisfy and discharge the same. This provision shall survive the termination of the Agreement.

14. INSURANCE

A. Types of Insurance

1) Commercial General Liability Insurance

Investment Manager shall, at its own expense, procure and maintain Commercial General Liability insurance providing bodily injury and property damage coverage with a combined limit of at least \$1,000,000 each occurrence and a general aggregate limit of at least \$2,000,000. This insurance must include but not be limited to premises and operations, contractual liability covering the indemnity provisions contained in this Agreement, personal injury, products and completed operations, and broad form property damage, and include a Cross Liability endorsement.

Said Policy must protect Investment Manager and the Board in the same manner as though a separate policy had been issued to each, but nothing in said policy may operate to increase the insurance company's liability as set forth in its policy beyond the amount or amounts shown or to which the insurance company would have been liable if only one interest had been named as insured.

2) Business Automobile Liability

Investment Manager shall, at its own cost and expense, procure and maintain Business Automobile Liability insurance providing bodily injury and property damage with a combined single limit of at least \$1,000,000 per occurrence for all owned, non-owned and hired automobiles. This insurance must provide contractual liability covering all motor vehicles and mobile equipment to the extent coverage may be excluded from general liability insurance.

3) Workers' Compensation and Employers' Liability Insurance

If Investment Manager employs any person to perform work in connection with this Agreement, Investment Manager shall procure and maintain at all times during the performance of such work Workers' Compensation Insurance in conformance with the laws of the State of California, and federal laws where applicable. Employers' Liability Insurance must not be less than \$1,000,000 for each accident and \$1,000,000 for each disease, with a policy limit of \$1,000,000.

The Policy must contain a waiver of subrogation in favor of the Board and its officers, directors, employees, volunteers, and agents, while acting in such capacity, and their successors and assignees, as they now or as they may hereafter be constitute, singly, jointly, or severally.

4) Professional Liability Insurance

Investment Manager shall also maintain Professional Liability Insurance covering Investment Manager's performance under this Agreement, with a limit of liability of \$5,000,000 for any one claim and \$5,000,000 annual aggregate. This insurance must be applicable to any claim arising from the work performed under this Agreement. The policy must contain an "Extended Reporting Period" provision providing for at least one year of Extended Reporting. In the event of non-renewal or cancellation, Investment Manager must purchase the Extended Reporting Period coverage at Investment Manager's sole expense or provide evidence of new coverage with a retroactive date prior to the commencement of work under this Agreement. Prior to commencing work under this Agreement, Investment Manager shall furnish to the Board a Certificate of Insurance, or a certified copy of the insurance policy if requested, indicating compliance with the requirements of this paragraph. This certificate or policy must further stipulate that 30 days' advance written notice of any cancellation, non-renewal or estimated settlements in excess of the limits of the policy will be given to the Board. In the event of a reduction in limits, Investment Manager will provide evidence of reinstatement of limits or provide evidence of additional coverage so that a minimum of \$5,000,000 per claim/\$5,000,000 annual aggregate is evidenced.

Investment Manager shall notify the Board of any professional liability claim that has an estimated settlement value in excess of the policy. If the amount of the professional liability insurance is reduced by other claims, Investment Manager shall procure such additional insurance to restate the limits as required under this Agreement.

If any insurance specified above must be provided on a claims-made basis, then in addition to the coverage requirements stated above, such policy must provide that:

- a. Policy retroactive date coincides with or precedes Investment Manager's start of work (including subsequent policies purchased as renewals or replacements).
- b. Investment Manager will make every effort to maintain similar insurance for at least three years following project completion, including the requirement of adding all additional insureds.
- c. If insurance is terminated for any reason, Investment Manager agrees to purchase an extended reporting provision of at least two years to report claims arising from work performed in connection with this Agreement.

The policy must also allow for reporting of circumstances or incidents that might give rise to future claims.

5) Cyber Risk Insurance

Investment Manager shall also procure and maintain Cyber Risk Insurance in the minimum amount of \$1,000,000 per claim for the duration of this Agreement and three years following its termination to respond to privacy and network security liability claims, including but not limited to: liability arising from theft,

dissemination, and/or use of data of the Board and/or Trust, including but not limited to bank, credit card account and personally identifiable information, such as name, address, social security numbers, etc., regardless of how stored or transmitted; network security liability arising from (i) the unauthorized access to, use of, or tampering with computer systems, including hacker attacks or (ii) the inability of an authorized user to gain access to Board and/or Trust data, including denial of service, unless caused by a mechanical or electrical failure; liability arising from the introduction of a computer virus into, or otherwise causing damage to, a Board and/or Trust or third party computer, computer system, network, or similar computer related property and the data, software, and programs thereon; and crisis management expenses (i.e. notification, public relations, reputation damage, forensics, etc.) for a data breach.

B. General Insurance Requirements

1) Acceptable Insurance

All policies will be issued by insurers acceptable to the Board. This insurance must be issued by an insurance company or companies authorized to do business in the State of California with minimum "Best's" rating of A- and with minimum policyholder surplus of \$25,000,000 or a company acceptable to the Board in its sole discretion. All policies must be issued in a form satisfactory to the Board and must be issued specifically as primary insurance. Workers' Compensation coverage requirements may be met with the California State Compensation Fund.

2) Procure and Maintain Insurance

Investment Manager shall, at its own cost and expense, procure and maintain at all times during the performance of this Agreement, all of the required policies specified above. The failure to procure or maintain the required insurance policies acceptable to the Board will constitute a material breach of contract.

Any person, firm, or corporation that Investment Manager authorizes to work upon the District's property, including any subcontractor, will be deemed to be Investment Manager's agent and will be subject to all applicable terms of this Agreement. Prior to Investment Manager's start of the work or entry onto the District's property, Investment Manager agrees to require its subcontractors to procure and maintain, at Investment Manager's (or its subcontractors) sole cost and expense (and to prove to the Board's reasonable satisfaction that it remains in effect throughout the performance of the work under this Agreement), the kinds of insurance described herein.

Investment Manager shall not commence work until proper evidence of insurance coverage of the types and amounts specified in this Section has been provided to the Board. Investment Manager must not violate or permit to be violated any conditions or provisions of said policies of insurance, and at all times must satisfy the requirements of the insurer for the purpose of maintaining said insurance in effect.

3) Terms of Policies

All insurance specified above must remain in force until all work to be performed is satisfactorily completed. If the insurance is provided on a claims-made basis it must remain in force for the entire term of the Agreement and a minimum of three years thereafter.

4) Claims

If any claim is made by any third person against Investment Manager on account of any incident connected to this Agreement, Investment Manager shall promptly report the fact in writing to the Board, giving full details of the claim.

C. Evidence of Insurance and Endorsements

The Investment Manager must submit a Certificate of Insurance demonstrating compliance with the required insurance policies. Prior to the commencing of work or entering onto the District's property, Investment Manager shall file a Certificate of Insurance with the Board evidencing the foregoing coverages, including the following endorsements:

- 1) The insurance company(ies) issuing such policy(ies) will provide at least 30 days' notice to the Board of cancellation or non-renewal.
- 2) That the policy(ies) is primary insurance and the insurance company(ies) providing such policy(ies) will be liable thereunder for the full amount of any loss or claim that Investment Manager is liable for under this Section, up to and including the total limit of liability, without right of contribution from any other insurance maintained or which may be maintained by the Board.
- 3) Such insurance will include as additional insureds, with the exception of Professional Liability Insurance, the Board, and its respective directors, officers, employees, and agents while acting in such capacity, and their successors and assignees, as they now or as they may hereafter be constituted, singly, jointly, or severally.
- 4) The policy will also contain either a Cross Liability endorsement or Severability of Interests Clause and stipulate that inclusion of the Board as an additional insured will not in any way affect the Board's rights as respects any claim, demand, suit or judgment made, brought, or recovered against Investment Manager. Said policy will protect Investment Manager and the Board in the same manner as though a separate policy had been issued to each, but nothing in said policy will operate to increase the insurance company's liability as set forth in its policy beyond the amount or amounts shown or to which the insurance company would have been liable if only one interest had been named as an insured.

D. Consequence of Lapse

Should any required insurance not be procured or lapse during the term of this Agreement, requests for payment originating after such lapse will not be processed until the Board receives satisfactory evidence of reinstated coverage as required by the

Agreement. If insurance is not reinstated, the Board may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.

15. INDEPENDENT CONTRACTOR

Neither Investment Manager nor any party contracting with Investment Manager will be deemed to be an employee of the Board or the District. Investment Manager is and will be an independent contractor, and the legal relationship of any person performing services for Investment Manager will be one solely between that person and Investment Manager.

16. ASSIGNMENT

Neither party to this Agreement shall assign any of its rights nor transfer any of its obligations under this Agreement without the prior written consent of the other party.

17. COMPLIANCE WITH LAW

The Trustee shall fully comply with all laws, executive orders, regulations, and other legal requirements applicable to the Trustee and to the services performed under this Agreement. Failure to comply with this provision shall constitute a material breach of the Agreement.

18. BOARD REPRESENTATIVE

The Chair of the Board, or such person or persons as he or she designates in writing from time to time, will represent and act for the Board, except when approval or other action is required to be given or taken by the entire Board.

19. TERMINATION OF THIS AGREEMENT

- A. The Board has the right to terminate this Agreement at any time, for any reason or no reason, by giving 30 days' written notice to Investment Manager.
- B. If the Agreement is terminated for any reason other than a breach or default by Investment Manager, the Board shall pay to Investment Manager in accordance with the provisions of Section 6 all sums actually due and owing from the Board for all services performed and all permitted expenses incurred up to the day reasonable transition to a new provider of investment management services to the Board is completed. If the Agreement is terminated for breach or default, the Board shall remit final payment to Investment Manager in an amount to cover only those services performed and permitted expenses incurred in full accordance with the terms and conditions of this Agreement up to the effective date of termination.
- C. Upon receipt of a termination notice, Investment Manager agrees to cooperate fully with the Board in the orderly transfer of business to Investment Manager's successor. Upon receipt of notice of termination, Investment Manager agrees to use its best efforts to assist the Board in transferring responsibility for services being provided in the manner designated by the Board, within a reasonable period of time from the date of the termination notice, consistent with the Investment Manager's and the Board's fiduciary duty under California law.

- D. The Board will not in any manner be liable for Investment Manager's actual or projected lost profits had Investment Manager completed the services required by this Agreement.

20. BOOKS, AUDIT AND INSPECTION OF RECORDS

Investment Manager shall maintain appropriate records of all of its activities under this Agreement. All Investment Manager and subcontractors costs incurred in the performance of this Agreement will be subject to audit. Investment Manager and its subcontractors shall permit the Investment Manager, or its authorized representatives to inspect, examine, make excerpts from, transcribe, and copy Investment Manager's books, work, documents, papers, materials, payrolls records, accounts, and any and all data relevant to the Agreement at any reasonable time, and to audit and verify statements, invoices or bills submitted by Investment Manager pursuant to this Agreement. Investment Manager shall also provide such assistance as may be required in the course of such audit. Investment Manager shall retain these records and make them available for inspection hereunder for a period of four years after expiration or termination of the Agreement.

21. DISCLOSURE

Investment Manager warrants that it has delivered to the Board, at least five business days before the execution of this Agreement, Investment Manager's current Securities and Exchange Commission Form ADV, Part II (Investment Manager's disclosure statement). The Board acknowledges receipt of such disclosure statement at least five business days before the execution of this Agreement. Investment Manager agrees to continue to provide all disclosures to the Board that would be required if the Trust fund were subject to the Employee Retirement Income Security Act of 1974, as amended from time to time.

22. EQUAL EMPLOYMENT OPPORTUNITY

In connection with the performance of this Agreement, Investment Manager shall not discriminate against any employee or an applicant for employment because of race, religion, color, sex, disability or national origin.

23. CONFLICT OF INTEREST

- A. Investment Manager warrants and represents that it is familiar with California Government Code Sections 1090 et seq. and 87100 et seq., and that it does not know of any facts that constitute a violation of said sections or the District's conflict of interest code, District Board of Trustees Policy 2710. The Investment Manager represents that it has completely disclosed to the Board, and if applicable will disclose in the future, all facts bearing upon any possible interests, direct or indirect, which the Investment Manager believes any member of the Board, or other officer, agent, or employee of the Board, or any department presently has, or will have, in the Agreement, or in the performance thereof, or in any portion of the profits thereunder. If the Investment Manager subsequently becomes aware of any such facts, the Investment Manager shall promptly provide notice to the Board of same, along with a proposal for remedying the violation. The Board at its sole discretion, may determine whether the proposal or any other proposed resolution is satisfactory.
- B. The Investment Manager represents that it does not presently have, and shall not have during the period of the Agreement, any direct or indirect interest that would conflict in any manner or degree with the performance of services required by the Agreement. The

Investment Manager further represents that it will not employ, subcontract to, or otherwise involve any person or entity having such conflicts of interest in the performance of the Agreement. If the Investment Manager subsequently becomes aware of any such conflicts of interest, the Investment Manager shall promptly provide notice to the Board of same, along with a proposal for remedying the violation. The Board, at its sole discretion, may determine whether the proposal or any other proposed resolution is satisfactory.

- C. Investment Manager may be required to publicly disclose financial interests under the Board's or the District's Conflict of Interest Code. Investment Manager agrees to promptly submit a Statement of Economic Interest on the form provided by the Board upon receipt. No person previously in the position of director, officer, employee or agent of the Board may act as an agent or attorney for, or otherwise represent, Investment Manager by making any formal or informal appearance, or any oral or written communication, before the Board, or any officer or employee of the Board, for a period of 12 months after leaving office or employment with the Board if the appearance or communication is made for the purpose of influencing any action involving the issuance, amendment, awards or revocation of a permit, license, grant or contract.

24. FRAUD OR MISAPPROPRIATION

The Investment Manager certifies that none of its officers has been convicted of fraud or misappropriation of funds.

25. ATTORNEYS' FEES

If any legal proceeding should be instituted by either of the parties to enforce the terms of this Agreement or to determine the rights of the parties under this Agreement, the prevailing party in said proceeding will recover, in addition to all court costs, reasonable legal fees.

26. APPLICABLE LAW

This Agreement, its interpretation, and all work performed under it will be governed by the laws of the State of California.

27. JURISDICTION AND VENUE

The parties agree that any action brought by either party under or in relation to this Agreement, including without limitation to interpret or enforce any provision of this Agreement, shall be brought in, and each party agrees to and does hereby submit to the jurisdiction and venue of, any state or federal court located in Alameda County.

28. BINDING ON SUCCESSORS

All of the terms, provisions, and conditions of this Agreement will be binding upon and inure to the benefit of the parties and their respective successors, assigns, and legal representatives.

29. TITLES OF PROVISIONS

The titles given to the provisions of the Agreement are for ease of reference only and shall not be used in the construction or interpretation of the Agreement or relied upon or cited for any other purpose.

30. ENTIRE AGREEMENT; AMENDMENT; EXECUTION

- A. This Agreement, including attachments and Exhibits, constitutes the entire Agreement between the parties with respect to the subject matter hereof and may not be amended except by a written amendment executed by authorized representatives of both parties.
- B. No amendment to this Agreement may violate the terms of the Plan, the Indenture, or applicable law.
- C. In the event of a conflict between the terms and conditions of this Agreement and an attachment or Exhibit, the terms of this Agreement will prevail. Each party to this Agreement represents and warrants that any person or persons signing this Agreement on behalf of such part is authorized and empowered to sign and deliver this Agreement for such party.

31. SEVERABILITY

If any provision of this Agreement shall be held or made non-enforceable by a statute, rule, regulation, decision of a tribunal or otherwise, such provision shall be automatically reformed and construed so as to be valid, operative and enforceable to the maximum extent permitted by law or equity while most nearly preserving its original intent. The invalidity of any part of this Agreement shall not render invalid the remainder of this Agreement and, to that extent, the provisions of this Agreement shall be deemed to be severable.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized representatives as of the ____ day of _____, 2017.

OPEB TRUST RETIREMENT BOARD

Investment Manager

By: _____
[name], [title]

By: _____
[name], [title]

APPROVED AS TO LEGAL FORM:

By: _____
Attorneys for the Board