



# FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

## REQUEST FOR PROPOSAL

## GENERAL INVESTMENT CONSULTANT SERVICES

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**Issue Date: November 3, 2023**

**Closing Date: January 2, 2024 at 5:00 PM (Pacific)**

All Questions and Responses must be electronically submitted to Donald Kendig at [dkendig@fresnocountyca.gov](mailto:dkendig@fresnocountyca.gov)

For assistance, contact Donald Kendig at (559) 457-4400

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### PROPOSER TO COMPLETE

Undersigned agrees to furnish the commodity or service stipulated in the attached at the prices and terms stated in this Proposal. Proposal must be signed and dated by an authorized officer or employee.

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COMPANY

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CONTACT PERSON

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ADDRESS

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CITY

STATE

ZIP CODE

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( )

TELEPHONE NUMBER

E-MAIL ADDRESS

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AUTHORIZED SIGNATURE

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PRINT NAME

TITLE

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## OVERVIEW

Fresno County Employees' Retirement Association ("FCERA") requests proposals from qualified professional investment consulting firms to provide general non-discretionary investment consulting services.

FCERA was established in 1945 as a contributory defined benefit plan organized under the provisions of the 1937 County Employees Retirement Law (1937 Act). FCERA provides lifetime benefits upon retirement, death, or disability of members. FCERA is a cost-sharing, multiple-employer plan, serving over 20,000 employees, retirees, and beneficiaries, that includes substantially all full-time employees and permanent part-time employees who work 50% or more for the pension plan sponsors, including the County of Fresno, Superior Court of California-County of Fresno, Clovis Memorial District, Fresno Mosquito and Vector Control, and the Fresno-Madera Area Agency on Aging.

FCERA is an independent governmental entity, separate and distinct from the County of Fresno. FCERA's actuarially determined financial data is included in the County of Fresno's ACFR within the Required Supplementary Information and the Notes to the Financial Statements as a pension trust fund. FCERA is governed by a nine-member Board of Retirement (with one additional alternate member). FCERA collects, deposits, invests, and manages the plan's retirement trust funds solely in the best interest of, and for the exclusive purpose of providing the following benefits to FCERA members and their beneficiaries.

FCERA staff, under the general supervision of the FCERA Board, is responsible for the daily operations of the plan, including the administration of benefits, accounting functions, and systems management. FCERA employs a staff of 38, which includes a Retirement Administrator who serves as the Chief Executive Officer of FCERA.

The FCERA Board is responsible for all investments of FCERA and, in conjunction with FCERA staff, oversees the investment activities of approximately ten custodied separately managed accounts, approximately two comingled accounts and over eighty investment advisors and partnerships. FCERA utilizes the services of a custodial bank, which holds all publicly traded assets of FCERA, excluding real estate, private equity, private credit, infrastructure, certain co-mingled investment funds, and funds held and managed by the County Treasurer as part of the County Treasurer's Pooled Funds. FCERA retains a non-discretionary general investment consultant to assist the FCERA Board and staff in carrying out its investment responsibilities.

As of June 30, 2023, the FCERA trust fund had just over \$6 billion in assets, invested in the following asset classes: Domestic Equity, International Equity, Domestic Fixed Income-Core Bonds, Multi-sector Credit (High Yield, Asset Backed Loans, and Emerging Market Debt), Private Credit, Private Equity, Real Estate, Infrastructure, Cash and Cash Equivalents

The plan is funded from three sources: employer and employee contributions, and investment earnings.

FCERA retains the services of Foster Garvey and Foley & Lardner for investment issues and contracts, and Baker, Manock & Jensen for Board counsel.

FCERA is asking qualified firms to submit proposals covering the cost and related engagement personnel to provide the solicited general investment consulting services beginning with the April 1, 2024 (Fiscal Year Q4 2024, Calendar Year Q2 2024) and continuing for 3 years with the potential for two one-year extensions.

For general information about the FCERA, please visit <https://fresnocountyretirement.org/>.

## KEY DATES AND TIMES

<b>RFP Issue Date:</b>	<b>November 3, 2023 on or before 5:00 PM*</b>	
<b>Written Questions for RFP Due:</b>	<b>November 20, 2023 by 5:00 PM*</b>	
	Questions must be electronically submitted to Donald Kendig at <a href="mailto:dkendig@fresnocountyca.gov">dkendig@fresnocountyca.gov</a>	
<b>Posting of Answers to Questions:</b>	<b>November 30, 2023 on or before 5:00 PM*</b>	
<b>RFP Closing Date:</b>	<b>January 2, 2024 at 5:00 PM*</b>	
	Proposals must be electronically submitted to Donald Kendig at <a href="mailto:dkendig@fresnocountyca.gov">dkendig@fresnocountyca.gov</a>	
<b>Board review of the responses and selection of finalists:</b>	<b>January 17, 2024</b>	
<b>Interviews with Finalists/Board approval of successful bidder</b>	<b>February 21, 2024</b>	<b>[SAVE THE DATE]</b>
<b>Estimated Contract Commencement:</b>	<b>April 1, 2024</b>	

\* FCERA is in the Pacific time zone. All times listed are Pacific time. Plan accordingly.

FCERA will make a good faith effort to follow the above timeline but reserves the right to amend it. Any amendments to the RFP will be posted on the FCERA website. Proponents are solely responsible for checking the website for any amendments to the RFP.

## GENERAL REQUIREMENTS & CONDITIONS

**TERM:** It is FCERA's intent to contract with the successful bidder for a term of three years with the option to renew for up to two additional one-year periods based on mutual written consent.

FCERA reserves the right to terminate any resulting contract upon written notice.

**AWARD:** The award will be made to the vendor offering the proposal that is deemed to be the most advantageous to FCERA. Past performance (FCERA contracts within the past seven years) and references may factor into awarding of a contract. FCERA will be the sole judge in making such determination. FCERA reserves the right to reject any and all proposals. Award notices are tentative. Acceptance of an offer made in response to this RFP shall occur only upon execution of an agreement by both parties. Proposals shall be open to public inspection during Board of Retirement deliberations. FCERA assumes no responsibility for the confidentiality of information offered in a proposal.

By submitting a proposal, the vendor expressly agrees to be bound to FCERA's standard contractor terms. FCERA will not entertain material modifications to its standard contractor agreement or other contracting requirements, which is attached in form to this RFP. If vendor cannot accept the material provisions in this agreement, vendor is encouraged to not submit a proposal.

Vendors submitting proposals understand and agree that FCERA shall have no financial responsibility for any costs incurred by the vendors in preparing their response to this RFP and shall not be liable for any costs incurred until the successful bidder has executed a contract with FCERA and has been authorized in writing to proceed.

FCERA reserves the right to terminate this RFP prior to award. By submitting a proposal, vendor shall be deemed to have investigated and understands, to its satisfaction, the conditions to be encountered, the quality and scope of work to be performed, the contractual requirements of FCERA, and the applicable state, federal, local, and industry regulations and standards.

Award will require approval by the FCERA Retirement Board.

**CONFIDENTIALITY:** Services performed by the bidder shall be in strict conformance with all applicable Federal, State of California and/or local laws and regulations relating to confidentiality, including but not limited to, California Civil Code, California Welfare and Institutions Code, California Government Code, Health and Safety Code, California Code of Regulations, Code of Federal Regulations.

The bidder shall submit to FCERA's monitoring of said compliance.

**SELF-DEALING TRANSACTION DISCLOSURE:** Contractor agrees that when operating as a corporation (a for-profit or non-profit corporation), or if during the term of the agreement the Contractor changes its status to operate as a corporation, members of the vendor's board of directors shall disclose any self-dealing transactions that they are a party to while Contractor is performing services under an agreement with FCERA. A self-dealing transaction shall mean a transaction to which the Contractor is a party and in which one or more of its directors has a material financial interest. Members of the board of directors shall disclose any self-dealing transactions that they are a party to by completing and signing a FCERA Self-Transaction Disclosure Form and submitting it to FCERA prior to commencing with the self-dealing transaction or immediately thereafter.

**LOCAL VENDOR PREFERENCE:** Local vendor preference **does not** apply to this RFP.

**CONFLICT OF INTEREST:** FCERA shall not contract with, and shall reject any bid or proposal submitted by the persons or entities specified below, unless the FCERA Board of Retirement finds that special circumstances exist which justify the approval of such contract:

1. Employees of any FCERA Plan Sponsor or any public agencies for which the governing body of the sponsor is the governing body of the public agency.
2. Profit-making firms or businesses in which employees described in Subsection (1) serve as officers, principals, partners or major shareholders.

3. Persons who, within the immediately preceding twelve (12) months, came within the provisions of Subsection (1), and who were employees in positions of substantial responsibility in the area of service to be performed by the contract, or participated in any way in developing the contract or its service specifications.
4. Profit-making firms or businesses in which the former employees described in Subsection (3) serve as officers, principals, partners or major shareholders.
5. No FCERA employee, whose position at FCERA enables him or her to influence the selection of a contractor for this RFP, or any competing RFP, and no spouse or economic dependent of such employee, shall be employees in any capacity by a bidder, or have any other direct or indirect financial interest in the selection of a contractor.
6. In addition, no FCERA employee will be employed by the selected vendor to fulfill the vendor's contractual obligations to FCERA.

**DISCLOSURE:** The bidder is required to disclose if, within the three-year period preceding the proposal, their owners, officers, corporate managers and partners have been convicted of, or had a civil judgment rendered against them for:

- fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction;
- violation of a federal or state antitrust statute;
- embezzlement, theft, forgery, bribery, falsification, or destruction of records; or
- false statements or receipt of stolen property

Within a three-year period preceding their proposal, they have had a public transaction (federal, state, or local) terminated for cause or default.

**FRESNO COUNTY ORDINANCE 3.08.135 – POST-SEPARATION EMPLOYMENT PROHIBITED:** No officer or employee of FCERA who separates from FCERA service shall for a period of one year after separation enter into any employment, contract, or other compensation arrangement with any FCERA consultant, vendor, or other FCERA provider of goods, materials, or services, where the officer or employee participated in any part of the decision making process that led to FCERA's relationship with the consultant, vendor or other FCERA provider of goods, materials or services.

Pursuant to Government Code section 25132(a), a violation of the ordinance may be enjoined by an injunction in a civil lawsuit or prosecuted as a criminal misdemeanor.

**TIE BIDS:** In the event of a tie score between two or more proposals at the completion of the evaluation process, the evaluation team will break the tie by re-evaluating the proposals and coming to a consensus on which proposal to award. Additional information or interviews may be requested from bidders with the tied proposals.

**DATA SECURITY:** Individuals and/or agencies that enter into a contractual relationship with FCERA for the purpose of providing services must employ adequate controls and data security measures, both internally and externally to ensure and protect the confidential information and/or data provided to contractor by FCERA, preventing the potential loss, misappropriation or inadvertent access, viewing, use or disclosure of FCERA data including sensitive or personal client information; abuse of FCERA resources; and/or disruption to FCERA operations.

Individuals and/or agencies may not connect to or use FCERA networks/systems via personally owned mobile, wireless, or handheld devices unless authorized by FCERA for telecommuting purposes and provide a secure connection; up to date virus protection and mobile devices must have the remote wipe feature enabled. Computers or computer peripherals including mobile storage devices may not be used (FCERA or Contractor device) or brought in for use into the FCERA's system(s) without prior authorization from FCERA's Retirement Administrator and/or designee(s).

No storage of FCERA's private, confidential, or sensitive data on any hard-disk drive, portable storage device or remote storage installation unless encrypted according to advance encryption standards (AES of 128 bit or higher).

FCERA will immediately be notified of any violations, breaches or potential breaches of security related to FCERA's confidential information, data and/or data processing equipment which stores or processes FCERA data, internally or externally.

FCERA shall provide oversight to Contractor's response to all incidents arising from a possible breach of security related to FCERA's confidential client information. Contractor will be responsible to issue any notification to affected individuals as required by law or as deemed necessary by FCERA in its sole discretion. Contractor will be responsible for all costs incurred as a result of providing the required notification.

**AUDITS & RETENTION:** The Contractor shall maintain in good and legible condition all books, documents, papers, data files and other records related to its performance under this contract. Such records shall be complete and available to FCERA, the State of California, the federal government, or their duly authorized representatives for the purpose of audit, examination, or copying during the term of the contract and for a period of at least three (3) years following FCERA's final payment under the contract or until conclusion of any pending matter (e.g., litigation or audit), whichever is later. Such records must be retained in the manner described above until all pending matters are closed.

**PAYMENT:** FCERA will make partial payments for all purchases made under the contract and accumulated during the month. Terms of payment will be net forty-five (45) days.

**DISPUTE RESOLUTION:** The ensuing contract shall be governed by the laws of the State of California.

Any claim which cannot be amicably settled without court action will be litigated in the U. S. District Court for the Eastern District of California in Fresno, CA or in a state court for Fresno County.

**ASSIGNMENTS:** The ensuing proposed contract will provide that the vendor may not assign any payment or portions of payments without prior written consent of FCERA.

**ASSURANCES:** Any contract awarded under this RFP must be carried out in full compliance with The Civil Rights Act of 1964, The Americans with Disabilities Act of 1990, their subsequent amendments, and all other laws protecting the rights of individuals and agencies. FCERA has a zero tolerance for discrimination, implied or expressed, and wants to ensure that policy continues under this RFP. The vendor must also guarantee that services, provided will be performed in compliance with all applicable local, state, or federal laws and regulations pertinent to the types of services, of the nature required under this RFP. In addition, the vendor may be required to provide evidence substantiating that their employees have the necessary skills and training to perform the required services or work.

**LICENSES AND CERTIFICATIONS:** Any license(s) and/or certification(s) required in this RFP must be obtained by the bidder prior to submitting a proposal and must be active and in good standing. Proposals submitted without the proper license(s) and/or certification(s) will be deemed non-responsive.

## INSURANCE REQUIREMENTS

Without limiting FCERA's right to obtain indemnification from vendor or any third parties, vendor, at its sole expense, shall maintain in full force and effect, the following insurance policies or a program of self-insurance, including but not limited to, an insurance pooling arrangement or Joint Powers Agreement (JPA) throughout the term of the Agreement:

- A. Commercial General Liability: Commercial General Liability Insurance with limits of not less than Two Million Dollars (\$2,000,000.00) per occurrence and an annual aggregate of Four Million Dollars (\$4,000,000.00). This policy shall be issued on a per occurrence basis.
- B. Automobile Liability: Comprehensive Automobile Liability Insurance with limits of not less than One Million Dollars (\$1,000,000.00) per accident for bodily injury and for property damages. Coverage should include any auto used in connection with this Agreement.
- C. Professional Liability: If Contractor employs licensed professional staff, (e.g., Ph.D., R.N., L.C.S.W., M.F.C.C.) in providing services, Professional Liability Insurance with limits of not less than One Million Dollars (\$1,000,000.00) per occurrence, Three Million Dollars (\$3,000,000.00) annual aggregate. This coverage shall be issued on a per claim basis. Contractor agrees that it shall maintain, at its sole expense, in full force and effect for a period of three years following the termination of this Agreement, one or more policies of professional liability insurance with limits of coverage as specified herein.
- D. Worker's Compensation: A policy of Worker's Compensation insurance as may be required by the California Labor Code.

### Additional Requirements Relating to Insurance:

Contractor shall obtain endorsements to the Commercial General Liability insurance naming FCERA, its officers, agents, and employees, individually and collectively, as additional insured, but only insofar as the operations under this Agreement are concerned. Such coverage for additional insured shall apply as primary insurance and any other insurance, or self-insurance, maintained by FCERA, its officers, agents and employees shall be excess only and not contributing with insurance provided under Contractor's policies herein. This insurance shall not be cancelled or changed without a minimum of thirty (30) days advance written notice given to FCERA.

Contractor hereby waives its right to recover from FCERA, its officers, agents, and employees any amounts paid by the policy of worker's compensation insurance required by this Agreement. Contractor is solely responsible to obtain any endorsement to such policy that may be necessary to accomplish such waiver of subrogation, but Contractor's waiver of subrogation under this paragraph is effective whether or not Contractor obtains such an endorsement.

Within thirty (30) days from the date Contractor executes this Agreement, Contractor shall provide certificates of insurance and endorsement as stated above for all of the foregoing policies, as required herein, to Fresno County Employees' Retirement Association, **Donald Kendig, 7772 N. Palm Ave. Fresno, CA 93711**, stating that such insurance coverage have been obtained and are in full force; that the FCERA, its officers, agents and employees will not be responsible for any premiums on the policies; that such Commercial General Liability insurance names the Fresno County Employees' Retirement Association, its officers, agents and employees, individually and collectively, as additional insured, but only insofar as the operations under this Agreement are concerned; that such coverage for additional insured shall apply as primary insurance and any other insurance, or self-insurance, maintained by FCERA, its officers, agents and employees, shall be excess only and not contributing with insurance provided under Contractor's policies herein; and that this insurance shall not be cancelled or changed without a minimum of thirty (30) days advance, written notice given to FCERA.

In the event Contractor fails to keep in effect at all times insurance coverage as herein provided, FCERA may, in addition to other remedies it may have, suspend or terminate this Agreement upon the occurrence of such event.

All policies shall be with admitted insurers licensed to do business in the State of California. Insurance purchased shall be purchased from companies possessing a current A.M. Best, Inc. rating of A FSC VII or better.



## PROPOSAL INSTRUCTIONS

- All prices and notations must be typed or written in ink.
- Unless otherwise noted, prices shall remain firm for 180 days after the closing date of the RFP.
- Proposals must be electronically submitted on the forms provided in this RFP with all pages numbered.
- Additional material may be submitted with the proposal as exhibits. Any additional descriptive material that is used in support of any information in your proposal must be referenced by the appropriate paragraph(s) and page number(s).
- Bidders must electronically submit their proposal in .pdf format, no later than the RFP closing date and time as stated on the front of this document, to [dkendig@fresnocountyca.gov](mailto:dkendig@fresnocountyca.gov). FCERA will not be responsible for and will not accept late proposals due to slow internet connection or incomplete transmissions.
- FCERA will not be held liable for any costs incurred by vendors in responding to this RFP.
- Bidders are instructed not to submit confidential, proprietary and related information within the request for proposal. If you are submitting trade secrets, it must be electronically submitted in a separate PDF file clearly named "TRADE SECRETS" and marked as Confidential, see Trade Secret Acknowledgement section.
- If a bidder finds any discrepancies or has any questions, submit all inquiries through email to [dkendig@fresnocountyca.gov](mailto:dkendig@fresnocountyca.gov) before the Written Questions for RFP Due deadline. The questions and answers will be published on the FCERA website (<https://fresnocountyretirement.org/>) no later than the Posting of Answers to Questions deadline. Any change in the RFP will be made only by written addendum issued by the FCERA. FCERA will not be responsible for any other explanations or interpretations.
- Failure to respond to all questions or to not supply the requested information could result in rejection of your proposal. Merely offering to meet the specifications is insufficient and will not be accepted. Each bidder shall submit a complete proposal with all information requested.
- Proposals received after the closing date and time will NOT be considered.
- Proposals will be evaluated by the Board of Retirement. If a proposal does not respond adequately to the RFP or the bidder is deemed unsuitable or incapable of delivering services, the proposal may be eliminated from consideration. Upon review and evaluation, the Retirement Board will select finalists to interview at a subsequent Board meeting and upon the completion of interviews, the Board of Retirement will select a respondent with which to enter negotiations.
- Appeals of the Board decisions described above must be made in person during the Board's public deliberations of the decisions to be made. Appeals should address only areas regarding RFP contradictions, procurement errors, proposal rating discrepancies, legality of procurement context, conflict of interest, and inappropriate or unfair competitive procurement grievance regarding the RFP process. All Board decisions related to any appeals are final.
- All communication regarding this RFP shall be directed to Donald Kendig, Retirement Administrator. Her contact information is located on the cover page, he should be the primary point of contact for discussions or information pertaining to the RFP. Contact with any other FCERA representative, including member of the Retirement Board, for the purpose of discussing this RFP, its content, or any other issue concerning it, is prohibited unless authorized by the Retirement Administrator. Violation of this clause, by the vendor having unauthorized contact (verbally or in writing) with such other representatives, may constitute grounds for rejection of the vendor's proposal.

The above stated restriction on vendor contact with FCERA representatives shall apply until FCERA has awarded a contract to a vendor, except as follows. Any vendor may address the Board of Retirement during a public hearing scheduled before the Board of Retirement to hear testimony prior to its approval of finalists, an awardee, or the contract.

## FCERA INVESTMENT PROGRAM

As of June 30, 2023, FCERA manages a public defined benefit fund (“the Fund”) with assets of over \$6 billion. The asset allocation and targets are shown below.

Asset Class	Actual Allocation	Former Target Allocation	Revised Target (36 mo.)
Domestic Equities	28.0%	29%	25%
International Equity	19.6%	21%	24%
Global Fixed Income	20.9%	22%	23%
Real Estate	8.9%	8%	5%
Private Equity	8.2%	8%	6%
Private Credit	7.4%	8%	8%
Infrastructure	4.9%	4%	3%
Cash* and Equivalents	1.4%	0%	0%
Other	0.7%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

\* FCERA has a cash overlay program managed by Parametric at the direction of staff, under the advice of the General Investment Consultant.

Private Equity is advised on a discretionary basis by Hamilton Lane. Private Credit is advised on a discretionary basis by Aksia.

Under the direction of the Retirement Administrator, FCERA has three staff allocated to the investment program: one Retirement Investment Officer and two Retirement Investment Analysts.

For more information about the investment program, please refer to the *Investment Policy Statement* at:

<https://fresnocountyretirement.org/wp-content/uploads/2022/02/20220202-4J-InvestemntPolicyStatement.pdf>

Along with the latest Investment Guidelines for our current managers:

<https://fresnocountyretirement.org/wp-content/uploads/2022/11/2022101920-8E-InvestmentGuidelinesReview-1CurrentGuidelines.pdf>

A list of current investment managers and their commitments are included in the detailed Quarterly Investment Reports at:

<https://fresnocountyretirement.org/investment/>

For FCERA’s placement agent policy as it affects managers, click here:

<https://fresnocountyretirement.org/wp-content/uploads/2019/12/20191204-4M-PlacementAgentDisclosurePolicy-Final.pdf>

For FCERA’s due diligence policy as it affects consulting services, click here:

<https://fresnocountyretirement.org/wp-content/uploads/2023/08/20230802-5B-PolicyUpdates-1b-DueDiligencePolicy.pdf>

## **FREQUENTLY ASKED QUESTIONS (FAQS)**

**1. What prompted the search?**

FCERA's most recent search for an investment consultant was conducted in 2018. In keeping with generally accepted fiduciary standards of practice, FCERA has issued this RFP to confirm and/or ensure that its investment consulting resources are appropriate and meet the needs of FCERA.

**2. Who is the incumbent investment consultant?**

FCERA's general investment consultant is Verus. FCERA has retained Verus for 20 years.

**3. Will the incumbent consultant be invited to rebid?**

Yes, the incumbent may rebid.

**4. What are the fees currently being paid to the incumbent general investment consultant?**

The fees are publicly available on our agenda meeting archive and have been provided here: \$430,000 all inclusive. FCERA cautions that the current fees paid to the incumbent may be misleading as the nature of the relationship with the incumbent has evolved in such a way that the current fees may not be representative of the current services, or the market for current services.

**5. What is the expected length of the services contract?**

Per FCERA's procurement and due diligence practices, FCERA intends for the contract resulting from this RFP to have a term of three years, with the option to extend the contract for up to two additional one-year terms by mutual consent.

**6. What issues will the consultant be expected to address? Are there any pressing issues?**

In addition to an Asset/Liability study for 2024, near term projects include 1) an evaluation of frontier market investability, including Africa in particular, 2) consideration of International and Emerging Market investment options (individual managers all active, passive with global go anywhere active manager(s), or passive with a global long/short go anywhere manager(s), etc.), 3) a potential ex-China mandate as part of the global evaluation, and 4) a complimentary multi-sector credit manager search.

**7. What is the Board's schedule with respect to meetings that the investment consultant would be expected to attend?**

For the calendar year 2024, beginning April 1, 2024, the Consultant is expected to attend April 3, May 1, June 5, August 7, September 4, October 2-3, October 16, November 6, and December 4. In a complete year, there would also be attendance during the first Wednesday of February and March or from 9-10 Board meetings per year. Board meetings are held on the first and third Wednesday of the month with consultant attending the first. The investment consultant generally attends meetings on the 1st Wednesday during the months of February, March, April, May, June, August, September, October, November, and December in Fresno, CA. There is an additional two-day educational meeting in October.

**8. Is FCERA interested in discretionary investment consulting services (sometimes referred to as outsourced CIO services)?**

FCERA is not considering discretionary investment consulting services at this time.

**9. Does FCERA utilize any other investment consulting services?**

FCERA utilizes Hamilton Lane on a discretionary basis for its private equity allocation and Aksia on a discretionary basis for its private credit allocation. These firms provide performance information to the general investment consultant for quarterly performance reporting and work closely together to ensure a holistic view of FCERA's total fund allocations and investments.

## **MINIMUM QUALIFICATIONS FOR PROPOSAL**

Proponents must indicate whether they satisfy the following minimum qualifications, and FCERA may eliminate from further consideration any Proponent that does not satisfy them:

- (a) The Proponent must agree to act as a fiduciary to FCERA.
- (b) The Proponent must be registered as an investment adviser under the Investment Advisers Act of 1940.
- (c) At the time of submission, the Proponent must have been in continuous operation in the United States for at least five (5) years providing general investment consulting services for institutional pension plans similar in asset size to FCERA. Alternatively, if the Proponent has undergone a merger or acquisition, at least one of the predecessor firms must have been in continuous operation in the United States for at least five (5) years providing general investment consulting services to institutional investment funds, at the time of submission.
- (d) The Proponent must currently provide investment advisory services to a minimum of five (5) institutional clients, each with total assets of at least \$1 billion.
- (e) The Proponent currently has at least three (3) public fund clients, each with total assets of at least \$2 billion, inclusive of at least one (1) public fund client with total assets exceeding \$5 billion.
- (f) At the time of submission, the proposed lead consultant to be assigned to FCERA's account must have a minimum of ten (10) years' experience in the institutional asset management industry, including at least two (2) years of experience providing investment consulting services directly to institutional fund clients such as FCERA.
- (g) The Proponent must carry the insurance identified in the Insurance Requirements section.

## SCOPE OF WORK

The General Investment Consultant (“Consultant”) shall provide comprehensive general investment consulting advice and services to FCERA, with certain exceptions noted below. The Consultant will report to the Board, but will functionally work closely with FCERA Staff (“Staff”).

The Consultant will serve in a fiduciary capacity and will acknowledge in writing its fiduciary status, without qualification. In all cases, the Consultant and its representatives will offer advice that is solely in the interest of FCERA. A sample investment consultant services contract may be found in Appendix I.

Specific services to be provided include, but are not limited to, those listed below.

### 1. Investment Policy and Asset-Liability

- (a) Conduct a comprehensive asset-liability study (the “Study”) at least every three years thereafter, the primary purpose of which shall be to determine the asset allocation policy of the Fund. In completing the Study, the Consultant shall among other things recommend methodologies, capital market assumptions, asset classes for analysis, and alternative asset allocation policies for consideration.
- (b) Upon engagement, and, at least annually thereafter, conduct a review and analysis of FCERA’s investment policies, recommending changes, if appropriate.
- (c) Provide advice and recommendations on various other investment policy issues (e.g., whether to hedge currency exposure in foreign equities).
- (d) Monitor changes in capital markets, economic conditions, and other relevant factors on an ongoing basis to assess their impact on the Fund, and advise the Board accordingly.

### 2. Investment Manager Search, Selection, and Review

- (a) The Consultant shall be responsible for advising FCERA on the selection, oversight, and termination of investment managers (“Covered Managers”) in the following asset classes:
  - i) Public markets equity;
  - ii) Public markets fixed income;
  - iii) Real estate;
  - iv) Infrastructure (FCERA currently invests its entire infrastructure portfolio using an open-ended vehicle managed by IFM);
  - v) Hedge funds (FCERA is not currently invested in hedge funds; however, their use may be required in the future); and
  - vi) Any other potential mandates not handled by the retained private equity, or private credit consultants.
- (b) The following asset classes are managed by other consultants or managers; therefore, the Consultant shall have no responsibility for advising FCERA on manager selection, oversight, and termination in these asset classes and strategies, except for concerns observed in the conduct of these consultants and managers, that a fiduciary would generally report to the Board:
  - i) Private Equity – managed on a discretionary basis by Hamilton Lane.
  - ii) Private Credit – managed on a discretionary basis by Aksia.
- (c) Additionally, the Consultant shall:
  - i) Conduct investment and operational due diligence on prospective Covered Managers.
  - ii) Conduct ongoing review and due diligence, including periodic on-site due diligence visits, of FCERA’s Covered Managers.
  - iii) Provide annual due diligence reports of managers seen during the year that are retained by FCERA. (FCERA expects that all retained managers of FCERA will have due diligence conducted at least every three years for open-ended and public security mandates.)

- iv) Potentially allow trustees or staff to accompany the firm on due diligence visits in order to gain “firsthand” manager exposure.
- v) Develop and recommend a pacing schedule for real estate and infrastructure, and review the pacing models of the private equity and private credit consultants.
- vi) Participate in the negotiation of investment management agreements (“IMAs” for Covered Managers, ensuring they match the intended fee and investment policy guidelines. (FCERA utilizes a legal firm to negotiate the legal aspects of IMAs.)

**3. Performance Monitoring and Reporting**

- (a) Prepare quarterly investment reports and monthly “flash” reports, as necessary, for any pertinent or actionable matters.
- (b) Provide ongoing monitoring and oversight of Covered Managers regarding organizational stability and compliance with laws, regulations, investment policies, and mandates, and other relevant matters, and report quarterly.
- (c) Monitor and evaluate investment costs including, but not limited to, manager trading and transaction costs.

**4. Client Service and Education**

- (a) Attend the expected 9-10 Board meetings per year (up to a maximum of 12) annually, which includes an additional two-day educational meeting in October, typically occurring on the first Wednesday and Thursday.
- (b) In consultation with FCERA staff, design and co-ordinate the annual two-day educational meeting dedicated to investments.<sup>1</sup>
- (c) Attend telephone meetings, as requested by the Board or Staff.
- (d) Coordinate effectively with the Board, Staff, and custodian bank.
- (e) Respond to inquiries by the Board and Staff between meetings in a timely manner.
- (f) Report significant changes in the Consultant’s ownership, organizational structure, personnel, and other areas that may be relevant to Consultant on a timely basis.
- (g) Request information from Covered Managers for the Fund to comply with regulatory and/or other requirements.
- (h) Provide supplemental education to the Board and Staff, as required.
- (i) Provide the Board or Staff access to research, including proprietary research.

**5. Other Services**

- (a) Propose appropriate custodial arrangements and assist with searches for custodians and other vendors, as required.
- (b) Conduct a comprehensive fee review at least every three years to ensure the fees that FCERA is paying are competitive.
- (c) Provide other services typically provided by general investment consulting relationships firms to institutions with investment programs like that of FCERA.
- (d) Carry out any other duties or provide any other services that may be specified in, or required by, FCERA’s Investment Policy Statement.

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<sup>1</sup> Consultant may select/invite presenters from within the Consultant’s firm, FCERA’s manager line-up, or outside experts. FCERA appreciates presenters from the largest opportunity set possible.

## FIXED FEE PROPOSAL AND REQUIREMENTS

Pursuant to instructions included in this RFP, Proposal Content Requirements, a bidder’s proposal shall include a response to the following: Proposers are required to submit their fees. Fees, as submitted must include all costs associated with the consulting services, including reporting, communications, travel, etc. If awarded a contract as a result of this RFP, the successful proposer’s fees as proposed shall remain firm for 180 days after the closing date of the RFP and shall be **guaranteed** for the first three years of the contract. If an extension is, or extensions are, mutually agreed, fees will be subject to renegotiation annually, unless provided as part of the RFP response.

Provide annual fees (to be invoiced in arrears 1/12<sup>th</sup> monthly or ¼ quarterly) in the following format:

**Fixed Fees for first three years (required)**

(Years beginning April 1,)	Modified Year	Modified Year	Modified Year
Fixed Fee Services Provided	2024-25	2025-26	2026-27

General Consulting	\$ _____	\$ _____	\$ _____
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(All in, including in-person Board meeting attendance)

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**Fixed Fees for potential two one-year extensions (optional)**

(Years beginning April 1,)	Extension 1	Extension 2
Fixed Fee Services Provided	2027-28	2028-29

General Consulting	\$ _____	\$ _____
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(All in, including in-person Board meeting attendance)

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PAYMENT: Terms of payment will be net forty-five (45) days.

## **AWARD CRITERIA**

All proposals will be evaluated using the same criteria. While cost is important, other factors are also significant, and FCERA may not select the lowest cost proposal. The objective is to choose the proposal that offers the highest quality services and will best achieve FCERA's goals and objectives within a reasonable budget. Evaluations will be based on the criteria listed below:

### **COST**

- As submitted under the "COST PROPOSAL" section.

### **CAPABILITY AND QUALIFICATIONS**

- The amount of demonstrated experience in providing the services desired in a California Retirement Association
- Asset allocation capabilities
- Risk management capabilities
- Manager research capabilities
  - a. Public markets
  - b. Private markets
- Experience and qualifications of client service team/lead consultants
- Other client staff resources
- Independence and ethics

### **MANAGEMENT PLAN**

- Is the organizational plan and management structure adequate and appropriate for overseeing the proposed services?



## PROPOSAL CONTENT REQUIREMENTS

It is required that the vendor submit his/her proposal in accordance with the format and instructions provided under this section.

- I. RFP PAGE 1 AND EXHIBITS PAGE 1: completed and signed by participating individual or agency.
- II. COVER LETTER: A cover letter and introduction including the company name and address of the bidder and the name, address and telephone number of the person or persons to be used for contact and who will be authorized to make representations for the bidder.
  - A. Whether the bidder is an individual, partnership or corporation shall also be stated. It will be signed by the individual, partner, or an officer or agent of the corporation authorized to bind the corporation, depending upon the legal nature of the bidder. A corporation submitting a proposal may be required before the contract is finally awarded to furnish a certificate as to its corporate existence, and satisfactory evidence as to the officer or officers authorized to execute the contract on behalf of the corporation.
  - B. The letter must also contain the following:
    1. A statement indicating the signatory is authorized to bind the Proponent contractually.
    2. A statement to the effect that the proposal is a firm and irrevocable offer good for one hundred eighty (180) days from the deadline for submission of proposals.
    3. A statement that the Proponent meets the Minimum Qualifications set out in this RFP.
    4. A statement confirming that the Proponent's Form ADV (Parts I, IIA, and IIB) filed with the SEC as at the date of submission of the proposal, is up-to-date. Alternatively, the Proponent shall indicate any changes in the Proponent's circumstances that are not yet reflected in the Proponent's ADV (Parts I, IIA, IIB) currently filed with the SEC.
- III. TABLE OF CONTENTS
- IV. CONFLICT OF INTEREST STATEMENT: The Contractor may become involved in situations where conflict of interest could occur due to individual or organizational activities that occur within the County of Fresno or FCERA. **The Contractor must provide a statement addressing the potential, if any, for conflict of interest and indicate plans, if applicable, to address potential conflict of interest.** This section will be reviewed by FCERA Board Counsel for compliance with conflict of interest as part of the review process. The Contractor shall comply with all federal, state and local conflict of interest laws, statutes and regulations.
- V. TRADE SECRET ACKNOWLEDGEMENT
- VI. CERTIFICATION – DISCLOSURE – CRIMINAL HISTORY & CIVIL ACTIONS
- VII. REFERENCES
- VIII. EXCEPTIONS: This portion of the proposal will note any exceptions to the requirements and conditions taken by the bidder. If exceptions are not noted, FCERA will assume that the bidder's proposals meet those requirements. The exceptions shall be noted as follows:
  - A. Exceptions to General Conditions.
  - B. Exceptions to General Requirements.
  - C. Exceptions to Specific Terms and Conditions.
  - D. Exceptions to Scope of Work and/or Scope of Work Proposal Requirements.
  - E. Exceptions to Proposal Content Requirements.
  - F. Exceptions to any other part of this RFP.

- IX. VENDOR COMPANY DATA: This section should include:
- A. Please provide the following information with respect to the firm:
    - 1. a brief history of the firm, including its year of organization;
    - 2. the ownership structure of the firm, including any parent, affiliated companies or joint ventures;
    - 3. a list of the owners of the firm, including individuals, employees and all other entities;
    - 4. the location of the firm's headquarters and branch offices; and
    - 5. the number of years the firm has provided investment consulting services to institutional clients and the particular services provided.
  - B. Please describe any anticipated near-term changes in the organization's basic ownership structure or any other significant changes in the organization.
  - C. An organization chart of the firm, parent, and all subsidiary and affiliated companies. (Identify it as Exhibit 1.)
  - D. Descriptions of any similar or related contracts under which the bidder has provided services.
  - E. Is the firm, its parent or affiliate a registered investment advisor with the SEC under the Investment Advisers Act of 1940? If not, what is the fiduciary classification? Please state whether the firm is willing to act in the capacity of a fiduciary (as the term is defined by the Employee Retirement Income Security Act of 1974 and regulations thereunder) in providing its services.
  - F. Describe all contracts that have been terminated before completion within the last five (5) years:
    - 1. Agency contract with
    - 2. Date of original contract
    - 3. Reason for termination
    - 4. Contact person and telephone number for agency
  - G. Describe all lawsuit(s) or legal action(s) that are currently pending; and any lawsuit(s) or legal action(s) that have been resolved within the last five (5) years:
    - 1. Location filed, name of court and docket number
    - 2. Nature of the lawsuit or legal action
  - H. An Investment Policy Statement prepared by your firm for a public DB client similar to FCERA, and which you believe reflects best practice. (Identify it as Exhibit 2.)
  - I. A recent asset-liability study your firm has completed for a client. (Identify it as Exhibit 3.)
  - J. An investment manager operational due diligence report provided to a client during open session. (Identify it as Exhibit 4.)
  - K. Your firm's code of ethics policy and/or conflicts of interest policy and any procedures for ensuring compliance. Also, state whether or not you believe your code of ethics substantially complies with the Code of Ethics and Standards of Professional Conduct of the CFA Institute. (Identify it as Exhibit 5.)
  - L. A recent quarterly investment performance report provided to a client. (Identify it as Exhibit 6.)
- Note: to preserve client confidentiality, it is not necessary to identify clients.

X. PERSONNEL DATA:

- A. Identify all members of the firm that will be committed to this account along with their office location(s). Include a short bio for each, such as length of experience in institutional consulting services, any specialty expertise they possess, and the highest educational degree attained.

- B. Explain how the team dedicated to the account would function, including the primary consultant, back-up consultant(s), quality control, research, and support services.
  - C. What will be the procedures for addressing issues when the primary consultant or other assigned personnel leave the firm, are traveling, or are otherwise unavailable?
  - D. Provide an estimate of the percentage of the primary consultant's time, as well as the time of other consultants, dedicated to the account.
  - E. List the primary consultant's current clients and engagements by asset size, type of client (e.g., public fund, corporate fund, endowment), and type of engagement (e.g., general consulting services, project-based service). What is the client/consultants and client/support personnel ratios for the firm?
  - F. Provide statement that each person assigned to the account as the primary consultant has at least five years of experience consulting for a public pension fund with assets of at least \$5 billion and include a resume of the person(s) you propose to assign as the primary consultant. (Identify it as Exhibit 7.)
- XI. CONSULTING PERFORMANCE TRACK RECORD:
- A. How does the firm evaluate the quality of its consulting services?
  - B. Describe any benchmarks the firm has developed to evaluate its performance and the performance of its primary consultant(s).
  - C. List the asset size and net performance of public pension fund clients for one, three, and five-year periods ending June 30, 2023 for each of:
    - 1. the five largest public pension fund clients of the firm; and
    - 2. the five public pension fund clients of the firm with assets under management closest to \$5 billion as of June 30, 2023.
- Note: to preserve client confidentiality, it is not necessary to identify clients.
- XII. SCOPE OF WORK ANALYSIS (Identify as Exhibit 8.):
- A. Bidders are to use this section to describe their understanding of the proposed scope of work and how the bidder will fulfill each section.
  - B. This section should be formatted as follows:
    - 1. A general discussion of your understanding the Scope of Work proposed and a summary of the features of your proposal.
    - 2. A detailed description of your proposal as it relates to each item listed under the "Scope of Work Proposal Requirements" section of this RFP. Bidder's response should be stated in the same order as are the "Scope of Work Proposal Requirements" items. Each description should begin with a restatement of the "Scope of Work Proposal Requirements" item that it is addressing. Bidders must explain their approach and method of satisfying each of the listed items.
  - C. If supplemental reports or other documentation are to be submitted as part of the scope of work analysis, include them in Exhibit 8 with a cover page entitled "REPORTS."
  - D. A complete description of any alternative solutions or approaches to accomplishing the desired results.

XIII. SUPPLEMENTAL QUESTIONS: Please answer the following subjective questions.

- A. Based on FCERA having investment staff comprised of two investment analysts, one investment officer, and an executive director charged with overseeing the effective execution of FCERA's investment program, what would be a potential model, or models, for both staff and the consultant to effectively serve the Board? If more than one, which would you favor and why?
- B. How would you describe your preferred staff involvement in the manager selection, oversight, diligence, and termination processes?
- C. How would you approach any disagreements between yourself and staff?
- D. Should staff and the consultant always agree before the Board? Why or why not?
- E. In the wake of the great financial crisis ("GFC"), COVID, and sharply rising interest rates, along with the potential for extreme geopolitical actions, what is your approach to handling extreme market moves? Is your approach different with public vs. private markets?
- F. How do you see yourself in relation to the managers you underwrite and recommend? Do any managers garner higher importance than the others based on relationship history, size or industry influence?
- G. How do you weight manager relationships compared to manager performance?
- H. FCERA has two discretionary advisors covering private equity and private credit respectively. How do you see your role in providing oversight and coordination of their activities?
- I. Given that FCERA has two discretionary advisors covering private equity and private credit respectively, a separate real estate allocation, and a separate infrastructure allocation, how important is it to align individual manager guidelines and to examine the underlying investments of each in order to minimize unintentional overlap? If overlap is not a concern, please explain.

XIV. FEE PROPOSAL: Quotations should be prepared in the format described in the Fee Proposal section of the RFP.

XV. CHECK LIST

## **QUIET PERIOD**

FCERA Policy prohibits direct contact between prospective service providers and FCERA Board members, consultants, or staff during this RFP process, except through the point of contact named herein as a part of the question and answer process. This does not include communication with any of FCERA's incumbent service providers for normal business not related to this RFP selection process. From the date of release of this RFP until a firm is selected and a contract is awarded, all contacts and communications regarding this RFP are restricted to the question and answer process. Exceptions include 1) communications with FCERA staff during negotiations, presentations, contract award and execution, or 2) cordialities should paths cross at events where attendance by potential service providers and FCERA Board members can be expected.

Violation of these conditions may result in rejection of a firm's proposal.

## TRADE SECRET ACKNOWLEDGEMENT

Each proposal submitted is public record under the California Public Records Act (Cal. Gov. Code, secs. 7920.000 and following) and is therefore open to inspection by the public as required by Section 7922.525 of the California Government Code. Any contract resulting from this RFP will also be open to public inspection under Section 7922.525. This section generally states that "every person has a right to inspect any public record". FCERA will not exclude any proposal or portion of a proposal from treatment as a public record except information that it is properly submitted as a "trade secret" as defined under the law and determined by FCERA to be a "trade secret" (if not otherwise subject to disclosure, as stated below). Notwithstanding the forgoing, FCERA makes no representation, warranty, or guarantee that it will withhold from disclosure any information submitted by a vendor, whether or not the vendor marks such information as "trade secret," and FCERA retains the full right to determine, in its sole discretion, whether or not information is disclosed or not disclosed in response to a request from the public. Information submitted as "proprietary", "confidential" or under any other terms that might state or suggest restricted public access will not be excluded from treatment as public record.

Information marked as "trade secret" by a vendor must be submitted in a separate PDF file named "Trade Secret" and marked as "Confidential". Bidders must include a clear and concise statement that sets out the reasons for confidentiality in accordance with the legal definition of "trade secret." Examples of information not considered trade secrets are pricing, cover letter, promotional materials, references, and the like.

In the event FCERA receives a request, demand, or becomes party to a legal action by any person or entity seeking access to information marked as "trade secret" by a vendor, FCERA will inform the bidder of such request, demand, or legal action, and the bidder shall defend, indemnify, and hold harmless FCERA, including its officers and employees, against any and all claims, liabilities, damages, or costs or expenses, including attorney's fees and costs, relating to such request, demand or legal action, seeking access to the "trade secret" information. The provisions of this paragraph are effective upon vendor's submission of a proposal to FCERA in response to this RFP and shall survive the expiration or termination of this RFP and remain effective without regard to whether or not vendor is awarded a contract by FCERA.

FCERA shall not in any way be liable or responsible for the disclosure of any proposals or portions thereof.

Bidders are advised that FCERA does not wish to receive trade secrets and that bidders are not to supply trade secrets unless they are absolutely necessary.

I have read and understand, and agree to the above "Trade Secret Acknowledgement."

### BIDDER MUST CHECK ONE OF THE FOLLOWING:

Has bidder submitted certain bid information that is a "trade secret," as defined in State law, and in compliance with requirements of this Trade Secrets Acknowledgement?

By marking "NO", bidder does not claim any confidentiality of any bid information submitted to the FCERA.

YES       NO

### ACKNOWLEDGED AND AGREED BY BIDDER:

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Signature \_\_\_\_\_ Date \_\_\_\_\_

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Print Name \_\_\_\_\_ Title \_\_\_\_\_

## **DISCLOSURE – CRIMINAL HISTORY & CIVIL ACTIONS**

In their proposal, the bidder is required to disclose if any of the following conditions apply to them, their owners, officers, corporate managers and partners (hereinafter collectively referred to as "Bidder"):

1. Within the three-year period preceding the proposal, they have been convicted of, or had a civil judgment rendered against them for:
  - a. fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction;
  - b. violation of a federal or state antitrust statute;
  - c. embezzlement, theft, forgery, bribery, falsification, or destruction of records; or
  - d. false statements or receipt of stolen property
2. Within a three-year period preceding their proposal, they have had a public transaction (federal, state, or local) terminated for cause or default.

Disclosure of the above information will not automatically eliminate a Bidder from consideration. The information will be considered as part of the determination of whether to award the contract and any additional information or explanation that a Bidder elects to submit with the disclosed information will be considered. If it is later determined that the Bidder failed to disclose required information, any contract awarded to such Bidder may be immediately voided and terminated for material failure to comply with the terms and conditions of the award.

Any Bidder who is awarded a contract must sign an appropriate Certification Regarding Debarment, Suspension, and Other Responsibility Matters. Additionally, the Bidder awarded the contract must immediately advise FCERA in writing if, during the term of the agreement: (1) Bidder becomes suspended, debarred, excluded or ineligible for participation in federal or state funded programs or from receiving federal funds as listed in the excluded parties list system (<http://www.epls.gov>); or (2) any of the above listed conditions become applicable to Bidder. The Bidder will indemnify, defend and hold FCERA harmless for any loss or damage resulting from a conviction, debarment, exclusion, ineligibility or other matter listed in the signed Certification Regarding Debarment, Suspension, and Other Responsibility Matters.

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER  
RESPONSIBILITY MATTERS - PRIMARY COVERED TRANSACTIONS**

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the association's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the association determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the association if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms covered transaction, debarred, suspended, ineligible, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549.
6. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.



### CERTIFICATION

- (1) The prospective primary participant certifies to the best of its knowledge and belief, that it, its owners, officers, corporate managers and partners:
  - (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;
  - (b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
  - (c) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
- (2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
(Printed Name & Title)

\_\_\_\_\_  
(Name of Agency or Company)

# REFERENCE LIST

## VENDOR MUST COMPLETE AND RETURN WITH REQUEST FOR PROPOSAL

Firm: \_\_\_\_\_

Provide a list of at least five (5) customers for whom you have recently provided similar services. If you have held a contract for similar services with FCERA within the past seven (7) years, list FCERA as one of your customers. Please list the person most familiar with your contract. Be sure to include all requested information.

Reference Name: \_\_\_\_\_ Contact: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Phone No.: ( \_\_\_\_\_ ) \_\_\_\_\_ Project Date: \_\_\_\_\_  
 Service Provided: \_\_\_\_\_

Reference Name: \_\_\_\_\_ Contact: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Phone No.: ( \_\_\_\_\_ ) \_\_\_\_\_ Project Date: \_\_\_\_\_  
 Service Provided: \_\_\_\_\_

Reference Name: \_\_\_\_\_ Contact: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Phone No.: ( \_\_\_\_\_ ) \_\_\_\_\_ Project Date: \_\_\_\_\_  
 Service Provided: \_\_\_\_\_

Reference Name: \_\_\_\_\_ Contact: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Phone No.: ( \_\_\_\_\_ ) \_\_\_\_\_ Project Date: \_\_\_\_\_  
 Service Provided: \_\_\_\_\_

Reference Name: \_\_\_\_\_ Contact: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Phone No.: ( \_\_\_\_\_ ) \_\_\_\_\_ Project Date: \_\_\_\_\_  
 Service Provided: \_\_\_\_\_

**Failure to provide a list of at least five (5) customers may be cause for rejection of this RFP.**

## CHECK LIST

This Checklist is provided to assist vendors in the preparation of their RFP response. Included are important requirements the bidder is responsible to submit with the RFP package in order to make the RFP compliant.

Check off each of the following (*where applicable*):

1.  Signed cover page of Request for Proposal (RFP).
2.  Checked <https://fresnocountyretirement.org/> for any addenda.
3.  Signed cover page for each Exhibit.
4.  Provided a Conflict of Interest Statement.
5.  Signed *Trade Secret Form* as provided with this RFP (Trade Secret Information, if provided, must be electronically submitted in a separate PDF file and marked as Confidential).
6.  Signed *Criminal History Disclosure Certification Form* as provided with this RFP.
7.  Provided the completed *Reference List* as provided with this RFP.
8.  Indicated all of bidder exceptions to the FCERA's requirements, conditions and specifications as stated within this RFP.
9.  Provided Bidder's proposal, in PDF format, electronically submitted to Donald Kendig at [dkendig@fresnocountyca.gov](mailto:dkendig@fresnocountyca.gov).

**Return Checklist with your RFP Response**

## **APPENDIX I: SAMPLE CONTRACT**

**INVESTMENT CONSULTING SERVICES AGREEMENT  
BETWEEN  
THE FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
AND  
[CONSULTANT]**

This INVESTMENT CONSULTING SERVICES AGREEMENT ("**Agreement**") is entered into by and between FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION ("**FCERA**"), a public employees retirement system organized under the laws of California, and \_\_\_\_\_ ("**CONSULTANT**").

RECITALS

WHEREAS, pursuant to the authority granted it under the state Constitution and the law, including but not limited to California Government Code section 31595 and related provisions of law, the Board of Retirement of FCERA (the "**Board**") has exclusive control of the investment of FCERA's retirement fund;

WHEREAS, the Board may, in its discretion, delegate the authority to invest, manage, supervise, and evaluate the investment assets of the retirement fund when prudent in the informed opinion of the Board;

WHEREAS, the Board must discharge its duties with respect to FCERA's retirement fund with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with like matters would use in conducting an enterprise of like character and like aims;

WHEREAS, the Board must diversify the assets of FCERA's retirement fund so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly prudent not to do so;

WHEREAS, the Board has determined that, to discharge its duties according to the aforementioned standards, it is in the best interests of FCERA, its members, and beneficiaries to engage a competent, knowledgeable, and professional consultant to provide investment consulting services;

WHEREAS, the Board issued a request for proposals ("**RFP**") with respect to such investment consulting services, and as a result of the competitive selection RFP process, the Board believes CONSULTANT has the competence, knowledge, and professional experience to provide investment consulting services in accordance with the terms and conditions of this Agreement;

WHEREAS, CONSULTANT represents that it is competent, knowledgeable, and professional and it possesses the qualifications, skills, and resources necessary to advise the Board in performing the investment consulting services identified in this Agreement;

NOW, THEREFORE, in consideration of the above stated recitals, which are fully incorporated into this Agreement, and the mutual promises, covenants, representations, and conditions contained herein, and the mutual benefits to be derived therefrom, IT IS HEREBY AGREED AS FOLLOWS:

AGREEMENT

ARTICLE 1 – SCOPE OF WORK AND PERFORMANCE OF SERVICES

1.1 CONSULTANT agrees to furnish the services set forth in **Exhibit A**, titled Scope of Services, attached hereto and incorporated herein by this reference, as may be amended from time to time, in accordance with the provisions in this Agreement, to include other services as mutually agreed upon in writing by the parties (collectively, the "**Services**"). CONSULTANT's provision of the Services, and compensation therefore, shall include all Documents (as defined in Paragraph 1.6 below), materials, reports, manuals, plans, and specifications prepared by CONSULTANT related to the Services.

- 1.2 CONSULTANT's Services shall be completed and submitted in accordance with FCERA's specified standards, and according to the schedule listed, in **Exhibit A**. The completion dates specified in this Agreement and Exhibit A may be modified by mutual agreement of FCERA and CONSULTANT. CONSULTANT agrees to diligently perform the Services.
- 1.3 CONSULTANT represents, warrants and agrees as follows:
- (a) CONSULTANT is duly organized and in good standing in all jurisdictions in which it conducts its business.
  - (b) CONSULTANT has the professional skills and expertise necessary to perform the Services and will provide FCERA with expert advice and recommendations concerning the prudent investment of the assets of FCERA's retirement system.
  - (c) CONSULTANT has all the appropriate licenses and professional certifications necessary to perform the Services and shall maintain them in good standing during the term of this Agreement.
  - (d) CONSULTANT will perform the Services in accordance with the highest standard of skill and expertise prevailing among those consulting firms providing investment consulting services to public employee defined-benefit pension funds in the United States.
  - (e) CONSULTANT acknowledges, understands, and agrees that FCERA is relying upon CONSULTANT's representations contained in this Agreement, including but not limited to the professional skill and expertise of CONSULTANT to perform the Services, in executing this Agreement.
  - (f) CONSULTANT acknowledges, understands, and agrees that FCERA's acceptance of the Services shall not release CONSULTANT from its professional responsibility to provide the Services in accordance with the terms of this Agreement.
- 1.4 Independent Contractor: In all matters relating to this Agreement, CONSULTANT shall act as an independent contractor. Nothing in this Agreement shall be deemed to create an employment relationship between the CONSULTANT and FCERA. Further, CONSULTANT shall determine the method, means and manner of performance of the Services. Nothing contained in this Agreement shall be deemed or construed to create the relationship of partnership or joint venture or any similar relationship between the parties hereto. It is understood that as an independent contractor, neither CONSULTANT nor FCERA have any financial interest in the other or the right to employ or discharge any employee of the other. FCERA shall not be responsible for withholding taxes with respect to CONSULTANT'S compensation hereunder.
- 1.5 Confidentiality: CONSULTANT agrees to maintain in confidence and not disclose to any person or entity, without FCERA's prior written consent, any confidential information, knowledge, or data relating to FCERA's services, processes, or operations, including without limitation investment, financial, accounting, member, and statistical information pertaining to FCERA or its services, processes, or operations. Subject to the limitations and restrictions contained in this Agreement, CONSULTANT further agrees to maintain in confidence and not to disclose, to any person or entity, any data, information, technology, or material developed or obtained by CONSULTANT on behalf of FCERA during the term of this Agreement.
- 1.6 Ownership of Deliverables: Subject to the limitations and restrictions contained in this Agreement, the studies, reports, and other documents prepared or caused to be prepared by CONSULTANT or others acting on its behalf in connection with performing the Services (collectively, "**Documents**") shall be delivered to and shall become the exclusive property of FCERA. CONSULTANT may retain and use copies of such Documents, with written approval of FCERA.

CONSULTANT shall retain all rights, title and interest (including, without limitation, all copyrights, patents, service marks, trademarks, trade secret, and other intellectual property rights) in and to all of CONSULTANT's technical or internal designs, methods, ideas, concepts, know-how, techniques, generic documents, and templates (collectively, "**Tools**") that have been previously developed by CONSULTANT or such Tools developed during the course of the provision of the Services, provided such Tools do not contain, are not based upon, or derived from any confidential information, knowledge, or data relating to FCERA's services, processes, or operations, including without limitation investment, financial, accounting, member, and statistical information pertaining to FCERA or its services, processes, or operations, or any other FCERA confidential information or proprietary data. Rights and ownership by CONSULTANT of its Tools shall not extend to or include all or any part of FCERA's proprietary data or FCERA confidential information. To the extent that CONSULTANT may include in the materials any pre-existing CONSULTANT proprietary information, other protected CONSULTANT materials, or Tools, CONSULTANT agrees that FCERA shall be deemed to have a fully paid for perpetual license to make copies of such CONSULTANT owned materials for its business purposes.

- 1.7 At all times during the Term of this Agreement, as herein defined, the CONSULTANT Services shall be performed under the direct supervision of \_\_\_\_\_ (the "**Primary Consultant**"). It is understood that no substitution for the Primary Consultant will be permitted without the express prior written consent of FCERA, upon action of its Board of Retirement. In the event the Primary Consultant is absented from FCERA's account for any reason during the Term, and the Board has not approved a qualified substitute in writing, the Board may terminate this Agreement upon thirty (30) days' written notice to CONSULTANT.
- 1.8 CONSULTANT shall meet with the Board at least monthly, excluding dark days, at the times and places designated by the Board. CONSULTANT agrees that the Services include the CONSULTANT's attendance at Board meetings as needed in Fresno, California, as reasonably requested by the Board.

## **ARTICLE 2 – COMPENSATION**

- 2.1 FCERA shall pay CONSULTANT, in consideration for the Services provided to FCERA, such fees in monthly installments as are set forth in **Exhibit B**, attached hereto and incorporated herein by this reference, which may be modified from time to time through mutual written agreement without altering the other terms contained within this Agreement or referenced RFP. CONSULTANT certifies that the proposed cost it included with its response to the RFP, and pricing data used therein and herein are complete, current, and accurate.
- 2.2 In the event of any changes affecting the Services resulting from new findings, unanticipated conditions, or other conflicts or discrepancies, CONSULTANT shall promptly notify FCERA of the identified changes and advise FCERA of the recommended solution. Work shall not be performed on such changes without FCERA's prior written authorization.

## **ARTICLE 3 – TERM AND EFFECTIVE DATE; NOTICE TO PROCEED**

- 3.1 Unless sooner terminated in accordance with this Agreement, the term of this Agreement shall commence on the Effective Date, as defined below, and continue for an initial period of three (3) years ("**Term**"). The Term may be extended by the parties by mutual agreement for one-year extensions for up to two years.
- 3.2 This Agreement shall become effective on April 1, 2024, or the date on which both parties' authorized signatories shall have executed the Agreement as indicated by the last date below, whichever is later ("**Effective Date**"). CONSULTANT shall commence work under the terms of this Agreement on the Effective Date.

## **ARTICLE 4 – TERMINATION**

- 4.1 This Agreement may be terminated by FCERA for cause upon one (1)-day's written notice to CONSULTANT. "**Cause**" shall include, but not be limited to, CONSULTANT's breach of this Agreement; CONSULTANT's tortious conduct in connection with the performance of this Agreement or any Services;

the material unavailability of the Primary Consultant; and any adverse action taken against CONSULTANT by any state or federal regulatory agency or by any other person or entity in connection with CONSULTANT's professional activities.

- 4.2 This Agreement may be terminated by FCERA without cause for any reason upon thirty (30)-days' written notice to CONSULTANT.
- 4.3 If this Agreement is terminated by FCERA, CONSULTANT shall be entitled to compensation for Services satisfactorily performed to the effective date of termination; provided however, that FCERA may condition payment of such compensation upon CONSULTANT's delivery to FCERA of any and all completed Documents provided to CONSULTANT or prepared by or on behalf of CONSULTANT for FCERA in connection with this Agreement. Payment by FCERA for the Services satisfactorily performed to the effective date of termination shall be the sole and exclusive remedy to which CONSULTANT is entitled in the event of termination of the Agreement and CONSULTANT shall be entitled to no other compensation or damages and expressly waives same. If FCERA has prepaid for any services, CONSULTANT will forthwith remit a pro rata amount of the prepayment representing the unearned portion of the prepayment.
- 4.4 This Agreement may be terminated by CONSULTANT upon sixty (60)-days' written notice to FCERA, but only in the event of substantial failure by FCERA to fulfill its obligations under this Agreement through no fault of CONSULTANT. Prior to terminating the Agreement under this Paragraph, CONSULTANT shall use its best efforts to informally resolve any claimed substantial failure by FCERA. Following termination and upon request, CONSULTANT agrees to cooperate with FCERA in arranging a satisfactory transition of investment consulting services to another consultant.
- 4.5 This Agreement may be terminated immediately by written mutual agreement.

## **ARTICLE 5 – INDEMNIFICATION, LIMITATION OF LIABILITY AND INSURANCE**

### 5.1 Indemnification

CONSULTANT expressly agrees to indemnify, defend, and hold harmless FCERA and its Board members, officers, directors, agents, and employees (collectively, "**FCERA Indemnitees**"), from and against any and all loss, liability, expense, demands, and/or damages, including attorneys' fees and costs, for any claims or suits brought against the FCERA Indemnitees arising out of or relating to the wrongful acts or omissions, violations of applicable law, or performance of the Services or this Agreement by CONSULTANT and/or anyone acting on CONSULTANT's behalf. Notwithstanding anything to the contrary herein, CONSULTANT shall not be liable for that portion of any Claims to the extent such Claims are caused by the willful misconduct or negligent acts or omissions of FCERA, its Board, officers, employees, other contractors or agents.

### 5.2 No Limitation of First-Party Liability to FCERA

Nothing in this Agreement is intended to nor shall limit CONSULTANT's liability to FCERA for any and all loss, liability, claims, expense, demands, and/or damages, including attorneys' fees and costs, arising out of or relating to the wrongful acts or omissions, violations of applicable law, or performance of the Services or this Agreement by CONSULTANT and/or anyone acting on CONSULTANT's behalf.

### 5.3 Insurance Requirements

The insurance requirements hereafter enumerated shall in no way limit CONSULTANT's liability under this Agreement. Prior to the Effective Date, CONSULTANT shall have obtained, and thereafter shall maintain during the Term of this Agreement, and for so long thereafter as claims may be brought for acts or omissions occurring during the Term of this Agreement, all the insurance required in this Paragraph 5.3. CONSULTANT shall make its insurance policies and all endorsements available to FCERA for inspection and copying upon reasonable request.



Acceptance of any such certificate shall not relieve CONSULTANT of any of the insurance requirements, nor limit the liability of CONSULTANT. CONSULTANT's insurance coverage shall be primary; any other coverage available to FCERA shall be excess to CONSULTANT's and not contribute to it.

- (a) Commercial General Liability: Commercial General Liability Insurance with limits of not less than Two Million Dollars (\$2,000,000.00) per occurrence and an annual aggregate of Four Million Dollars (\$4,000,000.00). This policy shall be issued on a per occurrence basis.
- (b) Automobile Liability: Comprehensive Automobile Liability Insurance with limits of not less than One Million Dollars (\$1,000,000.00) per accident for bodily injury and for property damages. Coverage should include any auto used in connection with this Agreement.
- (c) Professional Liability: If CONSULTANT employs licensed professional staff, (e.g., Ph.D., R.N., L.C.S.W., M.F.C.C.) in providing services, Professional Liability Insurance with limits of not less than One Million Dollars (\$1,000,000.00) per occurrence, Three Million Dollars (\$3,000,000.00) annual aggregate.

This coverage shall be issued on a per claim basis. CONSULTANT agrees that it shall maintain, at its sole expense, in full force and effect for a period of three years following the termination of this Agreement, one or more policies of professional liability insurance with limits of coverage as specified herein.

- (d) Worker's Compensation: A policy of Worker's Compensation insurance as may be required by the California Labor Code

Additional Requirements Relating to Insurance:

CONSULTANT shall obtain endorsements to the Commercial General Liability insurance naming FCERA, its officers, agents, and employees, individually and collectively, as additional insured, but only insofar as the operations under this Agreement are concerned. Such coverage for additional insured shall apply as primary insurance and any other insurance, or self-insurance, maintained by FCERA, its officers, agents and employees shall be excess only and not contributing with insurance provided under CONSULTANT's policies herein. This insurance shall not be cancelled or changed without a minimum of thirty (30) days advance written notice given to FCERA.

CONSULTANT hereby waives its right to recover from FCERA, its officers, agents, and employees any amounts paid by the policy of worker's compensation insurance required by this Agreement. CONSULTANT is solely responsible to obtain any endorsement to such policy that may be necessary to accomplish such waiver of subrogation, but CONSULTANT's waiver of subrogation under this paragraph is effective whether or not CONSULTANT obtains such an endorsement.

Within thirty (30) days from the date CONSULTANT executes this Agreement, CONSULTANT shall provide certificates of insurance and endorsement as stated above for all of the foregoing policies, as required herein, to **Fresno County Employees' Retirement Association, 7772 N. Palm Ave. Fresno, CA 93711**, stating that such insurance coverage have been obtained and are in full force; that the FCERA, its officers, agents and employees will not be responsible for any premiums on the policies; that such Commercial General Liability insurance names the Fresno County Employees' Retirement Association, its officers, agents and employees, individually and collectively, as additional insured, but only insofar as the operations under this Agreement are concerned; that such coverage for additional insured shall apply as primary insurance and any other insurance, or self-insurance, maintained by FCERA, its officers, agents and employees, shall be excess only and not contributing with insurance provided under CONSULTANT's policies herein; and that this insurance shall not be cancelled or changed without a minimum of thirty (30) days advance, written notice given to FCERA.

In the event CONSULTANT fails to keep in effect at all times insurance coverage as herein provided, FCERA may, in addition to other remedies it may have, suspend or terminate this Agreement upon the occurrence of such event.

All policies shall be with admitted insurers licensed to do business in the State of California. Insurance purchased shall be purchased from companies possessing a current A.M. Best, Inc. rating of A FSC VII or better.

## **ARTICLE 6 – NOTICES**

- 6.1 All notices or other communications required or permitted to be given under this Agreement shall be made in writing and sent to the address set forth below:

If to CONSULTANT:

Firm name:  
Firm address:  
Attention:  
Fax No.:  
Email(s):

If to FCERA:

Fresno County Employees' Retirement Association  
7772 N. Palm Ave  
Fresno, CA 93721  
Attention: Retirement Administrator  
Fax No.: (559) 457-0318  
Email(s): FCERAInvestments@fresnocountyca.gov and the email address of the Retirement Administrator

All notices shall be deemed given if delivered receipt confirmed using one of the following methods: registered or certified first-class mail, postage prepaid; recognized courier delivery; electronic mail; or other electronic facsimile transmission.

## **ARTICLE 7 – LEGAL COMPLIANCE**

- 7.1 CONSULTANT agrees that it is a fiduciary to FCERA and will perform all of its duties under this Agreement in accordance with the same fiduciary standards as are applied to members of the Board pursuant to Article XVI sec. 17 of the California Constitution, Section 31595 of the California Government Code, and all other relevant law, regulation, local rule or caselaw of the State of California and the United States.
- 7.2 CONSULTANT agrees that it will perform Services subject to and in furtherance of FCERA's operative investment policies and procedures, as amended from time to time, and pursuant to the terms and conditions of this Agreement.
- 7.3 CONSULTANT agrees to observe and comply with all applicable Fresno County, State of California, and federal laws, ordinances, rules, regulations and policies now in effect or hereinafter enacted or issued, each of which are hereby made a part hereof and incorporated herein by reference.
- 7.4 CONSULTANT has read and is aware of the provisions of Section 1090 *et seq.*, and Section 81700 *et seq.*, of the California Government Code relating to conflict of interest of public officers and employees. Consultant represents that it is unaware of any financial or economic interest it may have with any public officer or employee of FCERA relating to this Agreement. It is further understood and agreed that if such a financial interest does exist at the inception of this Agreement, it shall constitute Cause for termination of this Agreement. CONSULTANT and its officers, agents and employees shall comply with the requirements of Government Code section 87100 *et seq.* (including Section 82048(a) and regulations promulgated thereunder), during the Term of this Agreement and understands, acknowledges, and agrees that CONSULTANT's staff providing Services pursuant to this Agreement are required to file and shall timely file annual statements of economic interest (Form 700) pursuant to California law and FCERA's Conflict of Interest Code.

- 7.5 CONSULTANT agrees that all of its directors, officers, employees, and agents who provide Services to FCERA shall comply with applicable federal, state, and FCERA's Conflict of Interest Code requirements. CONSULTANT shall immediately notify FCERA in writing of any violation of the FCERA's Conflict of Interest Code.
- 7.6 CONSULTANT shall not directly or indirectly receive any benefit from recommendations or advice made to FCERA and shall immediately disclose in writing to FCERA any investment or economic interest of CONSULTANT, or any of its officers, directors, agents, or employees or affiliates, that may be enhanced by the recommendations CONSULTANT makes to FCERA.
- 7.7 CONSULTANT agrees to disclose to FCERA any relationship it or any of its officers, directors, agents, or employees have with, or any financial interest they have in, any third party manager, placement agent, contractor, or vendor to FCERA.
- 7.8 CONSULTANT agrees to disclose to FCERA as soon as possible after the happening of: (a) the existence of any action, including investigations, initiated by any state or regulatory agency in connection with the conduct of CONSULTANT's business; (b) the existence of any material claims by any party arising out of the conduct of CONSULTANT's business; and, (c) any material change of circumstances affecting the conduct of CONSULTANT's business.
- 7.9 CONSULTANT shall perform the Services in conformance with the policies, interpretations, rules, practices, and procedures made or established by FCERA and as provided by FCERA to CONSULTANT. CONSULTANT will not have discretionary authority with respect to the management of the assets.
- 7.10 CONSULTANT hereby certifies that it is registered as an Investment Advisor under the Investment Advisor Act of 1940, and its investment advisory services will be in compliance with such Act and the regulation enacted thereunder. Nothing herein will in any way constitute a waiver or limitation of any rights which the FCERA may have under federal securities laws.
- 7.11 FCERA hereby acknowledges receipt of the CONSULTANT, Inc. ADV Part II, updated as of \_\_\_\_\_, which is also appended to this Agreement, at least forty-eight (48) hours prior to the execution hereof.
- 7.12 During the term of this Agreement, CONSULTANT shall disclose to FCERA annually, or sooner as FCERA requests, a report of its internal risk management policies and procedures, their success or failure, and the results of any audit of such policies and procedures conducted by any person or entity.

#### **ARTICLE 8 - MISCELLANEOUS**

- 8.1 This Agreement represents the entire understanding of FCERA and CONSULTANT as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement, and all exhibits to it, may only be modified by amendment in writing signed by each party.
- 8.2 This Agreement is binding on the successors and assigns of the parties hereto. This Agreement is personal to the parties hereto and the Services to be provided are unique. Neither party may assign, transfer, or otherwise substitute its interest in this Agreement or any of its obligations hereunder except with the parties' mutual written consent, which consent may be withheld for any reason whatsoever.
- 8.3 Except as otherwise specifically stated herein, remedies herein provided shall be cumulative and there shall be no obligation to exercise a particular remedy. If any part of this Agreement is declared by a final decision of a court or tribunal of competent jurisdiction to be unlawful, invalid, or beyond the authority of either party to enter into or carry out, such decision shall not affect the validity of the remainder of this Agreement, which shall continue in full force and effect, provided that the remainder of this Agreement can be interpreted to give effect to the intentions of the parties.

- 8.4 Multiple counterparts of this Agreement may be executed by the parties as originals but together they shall constitute one instrument. The parties agree that the executed Agreement in the possession of FCERA shall be the version of the Agreement that shall take precedence should any differences exist among counterparts of the Agreement.
- 8.5 (a) This Agreement shall be deemed to have been entered into and performed in Fresno, California. This Agreement, including all Exhibits, and the rights and obligations of the parties hereto shall be governed by the laws of the State of California, without regard to its conflict of interest provisions.
- (b) In the event of any dispute between the parties arising out of or relating to this Agreement, the breach, termination, enforcement, interpretation, or validity thereof, the Parties agree that they shall first attempt to resolve their dispute through non-binding mediation, to be conducted in a manner satisfactory to the parties but to be concluded within 90 days following either party's delivery of written notice to the other party of the dispute and a request for mediation. If the dispute has not been resolved within 90 days following delivery of such notice, or as mutually extended in writing by the parties, either party shall be free to initiate legal action as provided for below.
- (c) In the event the dispute has not been resolved timely through non-binding mediation or otherwise, the parties will each have the right to initiate legal action in a court of competent jurisdiction and venue in state Superior Court in and for Fresno County or in the federal District Court for the Eastern District of California. The law of the state of California shall govern all substantive matters.
- 8.6 A party's waiver of the performance of any covenant, condition, obligation, representation, warranty, or promise in this Agreement shall not invalidate this Agreement or be deemed a waiver of any other covenant, condition, obligation, representation, warranty, or promise. A party's waiver of the time for performing any act or condition hereunder does not constitute a waiver of the act or condition itself.
- 8.7 The failure of any party at any time to take action against the other party, or the failure of either party to terminate this Agreement as provided herein, shall not affect either party's right to require full performance of this Agreement, including all Exhibits, at any time thereafter, and the waiver by either party of a breach of any provision of this Agreement, including all Exhibits, shall not constitute a waiver of any subsequent breach thereof nor nullify the effectiveness of such provisions or the right of such party to demand redress for their respective losses, damages and prejudices.
- 8.8 There shall be no discrimination against any person or group of persons, based on race, color, religion, creed, national origin, ancestry, gender, age, marital status, disability, sexual orientation, or any other protected class under California's laws, now in place or as amended, in the performance of this Agreement. CONSULTANT shall not establish or permit any such practice(s) of discrimination under this Agreement or the performance of any Services. CONSULTANT's violation of this section shall be deemed to be a material breach of this Agreement and shall give rise to Cause of termination of the same.
- 8.9 CONSULTANT affirms that it does not have any financial interest or conflict of interest that would prevent CONSULTANT from providing unbiased, impartial service to FCERA under this Agreement.
- 8.10 This Agreement may be modified or amended only in a writing signed by both parties, specifically referring to this Agreement.
- 8.11 The provisions of Paragraphs 1.5, 1.6, 4.2, 4.3, 4.4, 4.5, 5.1, 5.2, 5.3, 6.1, 7.9, 7.10, 8.2, 8.5, 8.6, 8.7, and 8.13, and any others which, by the effect of law or their own term, shall survive termination of this Agreement for whatever reason.
- 8.12 Time is of the essence in the performance of this Agreement.

- 8.13 CONSULTANT'S Services, Documents, and related work is prepared solely for the use and benefit of FCERA in accordance with its statutory and regulatory requirements. CONSULTANT recognizes that any materials it delivers to the FCERA are public records subject to disclosure under the California Public Records Act. CONSULTANT does not intend to benefit and assumes no duty or liability to any third parties who receive CONSULTANT'S work in this fashion and may include disclaimer language on its work product so stating. To the extent that CONSULTANT'S work is exempt from disclosure under applicable laws, and CONSULTANT affirmatively designates the record as "Proprietary", FCERA agrees that it shall not disclose CONSULTANT "proprietary" work to third-parties without otherwise providing notice to CONSULTANT. CONSULTANT acknowledges that the mere designation of work as "proprietary" does not mean that the record is not otherwise disclosable under public records laws. In the event that FCERA does not disclose a records due to CONSULTANT'S determination that such a record is "Proprietary", to the fullest extent of the law, CONSULTANT shall defend, indemnify and hold FCERA harmless from and against any claims, lawsuit, damages or penalties arising from such failure to disclose record(s). Moreover, CONSULTANT waives any claims against FCERA for disclosure of records that FCERA has reasonably concluded as disclosable under the California Public Records Act.
- 8.14 During the term of this Agreement, CONSULTANT shall, upon written request of FCERA's Administrator, permit FCERA's Administrator to review (but not retain) CONSULTANT's most recent audited annual financial statements (or if none, financial statements certified as true and correct by CONSULTANT's Chief Executive Officer).

IN WITNESS WHEREOF, the parties hereto each hereby agree to all of the above terms and execute this Agreement by signing below.

**FRESNO COUNTY EMPLOYEES' RETIREMENT  
ASSOCIATION**

\_\_\_\_\_ **[CONSULTANT NAME]**

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Authorized Signatory

By: \_\_\_\_\_  
Authorized Signatory

Its: \_\_\_\_\_

Its: \_\_\_\_\_

## EXHIBIT A

### SCOPE OF SERVICES

#### I. Purpose and Scope of Services

CONSULTANT shall provide comprehensive general investment consulting advice and services to FCERA. CONSULTANT will report to the Board, but will functionally work closely with FCERA Staff (“**Staff**”).

CONSULTANT will serve in a fiduciary capacity and will acknowledge in writing its fiduciary status, without qualification. In all cases, CONSULTANT and its representatives will offer advice that is solely in the interest of FCERA.

The services required include, but are not limited to, the following:

#### II. Investment Policy and Asset-Liability Studies

- (a) Conduct a comprehensive asset-liability study (the “**Study**”) at least every three years thereafter, the primary purpose of which shall be to determine the asset allocation policy of FCERA’s fund. In completing the Study, CONSULTANT shall, among other things, recommend methodologies, capital market assumptions, asset classes for analysis, and alternative asset allocation policies for consideration.
- (b) Upon engagement, and at least annually thereafter, conduct a review and analysis of FCERA’s investment policies, recommending changes, if appropriate.
- (c) Provide advice and recommendations on various other investment policy issues (e.g., whether or not to hedge currency exposure in foreign equities).
- (d) Monitor changes in capital markets, economic conditions, and other relevant factors on an ongoing basis to assess their impact on FCERA’s fund, and advise the Board accordingly.

#### III. Investment Manager Search, Selection and Review

- (a) CONSULTANT shall be responsible for advising FCERA on the selection, oversight, and termination of investment managers (“**Covered Managers**”) in the following asset classes:
  - i) Public markets equity;
  - ii) Public markets fixed income;
  - iii) Real estate;
  - iv) Infrastructure;
  - v) Hedge funds (FCERA is not currently invested in hedge funds; however, their use may be required in the future); and
  - vi) Any other potential mandates not handled by the hedge fund, private equity, or private credit consultants.

(b) The following asset classes are managed by other consultants or managers; therefore, CONSULTANT shall have no responsibility for advising FCERA on manager selection, oversight, and termination in these asset classes and strategies, except for concerns observed in the conduct of these consultants and managers, that a fiduciary would generally report to the Board:

- i) Private Equity – managed on a discretionary basis by Hamilton Lane.
- ii) Private Credit – managed on a discretionary basis by Aksia.

(c) Additionally, CONSULTANT shall:

- i) Conduct investment and operational due diligence on prospective Covered Managers.
- ii) Conduct ongoing review and due diligence, including periodic on-site due diligence visits, of FCERA's Covered Managers.
- iii) Provide annual due diligence reports of managers seen during the year that are retained by FCERA. (FCERA expects that all retained managers of FCERA will have due diligence conducted at least every three years for open-ended and public security mandates.)
- iv) Potentially allow trustees or staff to accompany the firm on due diligence visits in order to gain “firsthand” manager exposure.
- v) Develop and recommend a pacing schedule for real estate and infrastructure, and review the pacing models of the private equity and private credit consultants.
- vi) Participate in the negotiation of investment management agreements (“IMAs” for Covered Managers, ensuring they match the intended fee and investment policy guidelines. (FCERA utilizes a legal firm to negotiate the legal aspects of IMAs.)

#### **IV. Performance Monitoring and Reporting**

- (a) Prepare quarterly investment reports and monthly “flash” reports, as necessary, for any pertinent or actionable matters.
- (b) Provide ongoing monitoring and oversight of Covered Managers regarding organizational stability and compliance with laws, regulations, investment policies, and mandates, and other relevant matters, and report quarterly.
- (c) Monitor and evaluate investment costs including, but not limited to, manager trading and transaction costs.

#### **V. Client Service and Education**

- (a) Attend the expected 9-10 Board meetings per year (up to a maximum of 12) annually, which includes an additional two-day educational meeting in October, typically occurring on the first Wednesday and Thursday.

- (b) In consultation with FCERA staff, design and co-ordinate the annual two-day educational meeting dedicated to investments.<sup>1</sup>
- (c) Attend telephone meetings, as requested by the Board or Staff.
- (d) Coordinate effectively with the Board, Staff, and custodian bank.
- (e) Respond to inquiries by the Board and Staff between meetings in a timely manner.
- (f) Report significant changes in CONSULTANT's ownership, organizational structure, personnel, and other areas that may be relevant to CONSULTANT on a timely basis.
- (g) Request information from Covered Managers for the Fund to comply with regulatory and/or other requirements.
- (h) Provide supplemental education to the Board and Staff, as required.
- (i) Provide the Board or Staff access to research, including proprietary research.

## **VI. Other Services**

- (a) Propose appropriate custodial arrangements and assist with searches for custodians and other vendors, as required.
- (b) Conduct a comprehensive fee review at least every three years to ensure the fees that FCERA is paying are competitive.
- (c) Provide other services typically provided by general investment consulting firms to institutions with investment programs like that of FCERA.
- (d) Carry out any other duties or provide any other services that may be specified in, or required by, FCERA's Investment Policy Statement.

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<sup>1</sup> CONSULTANT may select/invite presenters from within CONSULTANT's firm, FCERA's manager line-up, or outside experts. FCERA appreciates presenters from the largest opportunity set possible.



**EXHIBIT B**

**COMPENSATION**

Compensation for Services provided in Exhibit A, *Scope of Services*, shall be in accordance with the methods and specific amounts described in this Exhibit B.

[TO BE DETERMINED]