



FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

QUESTIONS AND ANSWERS

REQUEST FOR PROPOSAL

INVESTMENT COUNSEL LEGAL SERVICES

NO. 2023-3

RFP Issue Date: November 3, 2023

RFP Closing Date: January 10, 2024, at 5:00 PM (Pacific)

Questions and Answers Posting Date: November 30, 2023

For assistance, contact Donald Kendig at (559) 457-4400 or dkendig@fresnocountyca.gov

Question 1: The cover of the RFP for Investment Counsel Legal Services for FCERA states that the closing date is January 10, 2024 at 5 p.m., however, Key Dates page states that the closing date is January 2, 2024 at 5 p.m. Which is the correct closing date for the RFP?

Answer 1: The correct closing date is January 10, 2024 at 5:00 PM (Pacific). See Exhibit A for a replacement/updated RFP page.

Question 2: Sometimes unanticipated needs arise that can best be met by the use of specialist attorneys who are not on the existing roster, and that the process of formal contract amendments may be too cumbersome to meet the client's needs in a timely manner. To address this, would FCERA agree to include a contract provision permitting the respondent to use unlisted attorneys, with prior written consent from FCERA, during the course of the three-year period outlined in the RFP?

Answer 2: Yes. FCERA would agree to include a contract provision permitting the use of unlisted attorneys, with prior written consent from FCERA, during the course of the three-year period outlined in the RFP.

Question 3: May respondents submit a table of rates that escalate over the three years period outlined in the RFP, so long as the rates listed on the table are guaranteed for the covered period?

Answer 3: Yes. A table is fine. Rates may be flat for the three years, may be escalated by a specified percentage uniformly, or may be by a table with adjustments as already indicated or table with unique adjustments on a position by position or year by year basis without any reasoning specified, so long as they are fixed for the period.

QUESTIONS AND ANSWERS (CONT'D)

Question 4: What is the normal range of dollar commitment/investment to a commingled private fund?

Answer 4: \$10-20 million for Private Equity and \$25 to \$50 million for Private Credit.

Question 5: Does FCERA expect to have any fund of one investments or separate account relationships in the foreseeable future?

Answer 5: FCERA cannot rule it out. We have at least one now. Their creation would be very limited, though.

Question 6: For new investments, what is the rough percentage that FCERA undertakes with existing FCERA manager relationships versus new manager relationships?

Answer 6: For Private Equity (P/E) and Private Credit (P/C), there are various reinvestment ratios compared to new relationships driven by opportunities; however, FCERA is encouraging reinvestments where it makes sense. Our discretionary P/E and P/C handle most agreements and only reach out to counsel when some of our standard side letter provisions or Board policies create a conflict. For our public investments, we look at efficiencies employing the same relationship for multiple mandates offset against relationship concentration risk. General rule of thumb of 2/3 reinvest and 1/3 new, but that could vary to as much as 50/50 or 75/25.

Question 7: Does FCERA require a fund manager to blend/net performance compensation across all of the manager's funds in which FCERA invests?

Answer 7: Staff is not familiar with that provision, but is happy to consider it when negotiating agreements, especially if it is "Limited Partner/Investor" advantageous.

Question 8: Does FCERA have standard formats for legal review reports or a standard side letter?

Answer 8: We have a standard side letter, but we are willing to adapt under necessary circumstances. Board policy exceptions are possible but require a longer timeframe. We are flexible on the format of a legal review report, just so long as it provides analysis for any suggested redline changes (concerns) either 1) in a note form within a Word document, 2) a list of comments in a separate document (or email) supporting either red-line language or communicating a general issue of concern. Regarding meetings (not asked), we have met on the reports, but are conscious of billable hours on a standard engagement or counsel's time for a NTE engagement, want to exercise the most efficient method. Email exchanges resolve most issues.

Question 9: Does FCERA expect outside investment counsel to provide FCERA with comfort letters on investment deals or other compliance-related deliverables?

Answer 9: No. We require the other party's counsel to do that. There might be a need to review them, though.

Question 10: What has been FCERA's average legal fee spend for each of its investments in commingled funds for the past three years?

Answer 10: We have had two with a low of \$14,672.50 and a high of \$15,783.50 from two separate counsels.

Question 11: What are the current hourly rates you are paying investment counsel for this work?

Answer 11: Disclaimer: Past rates are no indication of future rates and no guarantee of quantity or quality. That said, please see Exhibit B for the current hourly rates.

End of questions and answers.

Exhibit A

KEY DATES

(Updated)

RFP Issue Date:	November 3, 2023 on or before 5:00PM*
Written Questions for RFP Due:	November 20, 2023, by 12:00 PM* <i>Questions must be electronically submitted to Donald Kendig at dkendig@fresnocountyca.gov</i>
Posting of Answers to Questions:	November 30, 2023, on or before 5:00 PM*
RFP Closing Date:	January 10, 2024, at 5:00 PM* <i>Proposals must be electronically submitted to Donald Kendig at dkendig@fresnocountyca.gov</i>
Finalist(s) Presented to Board:	February 7, 2024
Estimated Contract Commencement:	March 6, 2024

* 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.

Exhibit B

Title	Rates (Specific amounts tied to individuals within titles and rates vary.)
Partner	525 - 750
Senior Counsel	525 - 685
Associate	425 - 630