

REQUEST FOR PROPOSAL
Bank Deposit Savings Account
City of Los Angeles Deferred Compensation Plan
CITY OF LOS ANGELES
Personnel Department - Employee Benefits Division
On behalf of the Board of Deferred Compensation Administration

Date Issued: _____

TITLE: **BANK DEPOSIT SAVINGS ACCOUNT FOR THE CITY OF LOS ANGELES DEFERRED COMPENSATION PLAN**

INITIAL RFP TERM: **Five (5) years**

PRE-PROPOSAL CONFERENCE:

City Hall
200 North Spring Street, Room 805
Los Angeles, CA 90012
10:00 a.m. – 11:00 a.m.

PROPOSAL DELIVERY ADDRESSES:

City of Los Angeles
City Hall
200 North Spring Street, Room 867
Los Angeles, CA 90012

Mercer Investment Consulting
Attention: Devon Muir
777 S. Figueroa Street, Suite 2400
Los Angeles, CA 90017

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

DEADLINE FOR OUTREACH TO SUBCONTRACTORS (pursuant to the City's Business Inclusion Program outreach requirements):
_____ at **5:00 p.m.**

CONTRACT ADMINISTRATOR:

Steven Montagna, Plan Manager
Phone (213) 978-1621
Email: steven.montagna@lacity.org

PART A

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PART B

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SECTION 1

INTRODUCTION/BACKGROUND

1.0 INTRODUCTION

The City is seeking investment management services for its FDIC-Insured Bank Deposit Savings Account in the City's Deferred Compensation Plan ("the Plan"). The Plan is a non-qualified tax-deferred savings program established in 1983 under IRC Section 457 and City of Los Angeles Administrative Code, Division 4, Chapter 14, Sec. 4.1400-4.1410. The City contracts with Great-West Retirement Services ("Great-West") for Plan recordkeeping, enrollment and communication services. The City independently selects the investment options for the Plan, all of which are administered by Great-West. These options are held as mutual funds, separate accounts, commingled trusts, and bank deposit accounts.

1.1 BACKGROUND

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

As of 09/30/13, the City's Plan had \$_____ in assets and _____ participants. More detailed information regarding the Plan is included in the Plan's Quarterly report for the period ending 09/30/13, available at the Plan website at _____.

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

- Develop policy and plan design recommendations
- Function as liaison to the Board's consultant
- Administer all plan-related Contracts; and
- Facilitate all aspects of employee participation in the plans

The Office of the City Attorney provides legal support for the Plan in Contract/RFP review, and ensuring compliance with Federal law on administrative functions such as beneficiary claims, Qualified Domestic Relations Order (QDRO) preparation, etc.

The Board contracts with Great-West Retirement Services to provide third-party-administration of the program, including recordkeeping, enrollment, counseling, and communications. Through its contract with Great-West the Plan utilizes Wells Fargo Bank to provide passive trustee services. Their role is to fulfill the responsibility of holding all Plan assets in trust for the exclusive benefit of Plan participants.

Mercer Investment Consulting provides investment and plan administration consulting to the Plan. Includes among these services are ongoing performance review, procurement assistance, and investment menu design.

The City’s Plan contains the following investment options in its investment menu:

| Investment Option | Provider | Account Type |
|---|---|-------------------------|
| DCP Savings Account | City National Bank | Deposit Savings Account |
| | Bank of America | Deposit Savings Account |
| | Bank of the West | Deposit Savings Account |
| | | |
| DCP Stable Value Fund | Galliard Capital Management | Separate Account |
| | | |
| DCP Bond Fund (blended) | PIMCO Total Return | Mutual Fund |
| | Vanguard Total Bond Market Index Instl. Plus | Mutual Fund |
| | | |
| DCP Large-Cap Stock Fund | Vanguard Institutional Index Plus | Mutual Fund |
| | | |
| DCP Mid-Cap Stock Fund | Vanguard Mid-Cap Index Fund Instl. | Mutual Fund |
| | | |
| DCP Small-Cap Stock Fund | State Street Global Advisors Russell 2000 Index | Commingled Fund |
| | | |
| DCP International Stock Funds (not blended) | Fidelity Diversified International | Mutual Fund |
| | DWS EAFE Equity Index Instl. | Mutual Fund |

1.2 FDIC Insured Bank Deposit Savings Account

The purpose of this RFP is to provide the City’s Plan with an FDIC insured bank deposit savings option that will provide interest income and liquidity while foremost preserving principal; offer expanded FDIC insurance to Plan

participants; and provide the Plan with greater flexibility in changing underlying providers.

The City's Plan currently includes an FDIC insured Bank Deposit Savings account. The FDIC-Insured savings option is structured as a blended product with three underlying bank providers. From the participant perspective, the option appears as a single option branded under the name of the City's Plan.

The primary goals of structuring the option in this manner include the following:

- (1) Offering three providers expands the FDIC insurance available to Plan participants within this option to higher levels than would be available with a single provider; and
- (2) In the event of the inability of one provider to maintain its position in the Plan (for whatever reason, including institutional viability, termination of the contract by the City/provider, etc.), the Plan has the option to move assets to other providers within the structure pending completion of a new provider search.

In the event of a significant rate differential, the City's Plan also has the option of assigning up to 50% of total assets within this option to a single provider. That is presently the case, as one provider holds 50% of the assets with the remaining providers holding 25% each.

1.3 DEFINITIONS OF TERMS

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

1. **"The Board"** shall mean the City of Los Angeles Board of Deferred Compensation Administration.
2. **"The City"** shall mean the City of Los Angeles.
3. **"Contract Administrator"** shall mean the individual serving as the primary point of contact for this RFP.
4. **"Contract Effective Date"** shall mean the date, mutually agreed upon between the Contractor and City, that the Contractor begins performing services for the City.
5. **"Contractor"** shall mean the individual, partnership, corporation or other entity to which this Contract is awarded, and shall be synonymous with the term "Vendor."
6. **"Candidate"** shall mean the Proposer responding to this RFP.
7. **"DCP"** or **"The Plan"** shall mean the City of Los Angeles Deferred Compensation Plan, established pursuant to Section 457 of the Internal Revenue Code ("IRC").

8. **“Employee Benefits”** shall mean the Employee Benefits Division of the City of Los Angeles Personnel Department.
9. **“Plan”** means the City of Los Angeles Deferred Compensation Plan.
10. **“RFP”** shall mean this Request for Proposal.

1.4 CONTRACT TERM

The term of any Contracts(s) established pursuant to this RFP shall be for an initial period of five years from the Contract effective date as provided for by the final Contract, with an option to be extended for up to two additional years should the City seek and grant approval for said extension.

1.5 RFP CONTENTS

The contents of this RFP are as follows:

PART A – Request for Proposal, including the Proposal Questionnaire.

PART B – General Contracting Requirements and Attachments, which includes the City of Los Angeles Standard Provisions for City Contracts (Rev. 06/12) and other general contracting requirements that must be thoroughly reviewed and completed as specified.

1.6 RFP CONTACT INFORMATION

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

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

PART A Contact Information

All questions regarding this RFP PART A must be in writing and should simultaneously be directed to the Personnel Department Employee Benefits Division and Mercer Investment Consulting as follows:

- Steven Montagna at steven.montagna@lacity.org. (213-978-1621)

- Devon Muir at devon.muir@mercer.com (213-346-2465)

PART B Contact Information

Questions regarding the City’s General Contracting Requirements may be posed in writing or telephonically, and should be directed to Bobbi Jacobsen of the Personnel Department’s Administrative Services Division (ASD) at bobbi.jacobsen@lacity.org or (213) 473-9148, or to the City department responsible for the particular requirement, as specified within the Part B materials.

1.7 GENERAL INFORMATION AND PRE-PROPOSAL CONFERENCE

The Board intends to award a contract, in a form approved by the City Attorney, to the selected proposer. Proposals accepted by the City in writing constitute a legally binding contract offer and shall remain open for twelve (12) months. It is requested that proposals be prepared simply and economically, avoiding the use of unnecessary promotional material.

1.71 Proposal Timeline

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

| Target Dates | Event |
|--------------|--|
| _____ | Request for Proposal Released |
| _____ | Deadline for receiving written questions for the pre-proposal conference is 4:00 p.m. |
| _____ | Deadline to register to participate in pre-proposal conference by telephone is 4:00 p.m. |
| _____ | Pre-proposal conference at 10:00 a.m. Pacific Standard Time |
| _____ | General Contracting Requirements Preliminary Submission Deadline |
| _____ | City Review of General Contracting Document Due to Vendor by This Date |
| _____ | Final day for vendors to issue written solicitations to subcontractors via www.labavn.org website. This step should be completed by 5:00 p.m. Pacific Standard Time to avoid risk of late |

| | |
|-------|---|
| | submission. |
| _____ | Deadline for receiving written questions regarding the RFP is 4:00 p.m. |
| _____ | RFP responses due by 3:00 p.m. Pacific Standard Time |
| _____ | BIP Summary Sheet Submission on LABAVN – 4:30 p.m. Pacific Standard Time |
| _____ | RFP evaluations |
| _____ | Board makes selection and begin contract negotiation with successful proposer |
| _____ | Execute contract |

1.72 Pre-Proposal Conference

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

The conference has been scheduled for _____, **at 10:00 a.m.** Potential bidders may participate by physically attending or by calling in. Participants will be asked to identify themselves by name and firm.

If you intend to participate by telephone, please pre-register by contacting Steven Montagna, Contract Administrator, at (213) 978-1621 or via email at steven.montagna@lacity.org no later than _____ at 4:00 p.m. Pacific Standard Time. The City will provide a call-in number at that time for those interested in participating by telephone.

It is to your benefit to bring your own copy of the RFP, particularly the City’s General Contracting requirements, to the conference. NO COPIES WILL BE PROVIDED AT THE CONFERENCE.

1.73 Questions Regarding the RFP

To maximize the effectiveness of the conference, to the extent possible, proposers should provide questions in writing prior to the conference. The

deadline to provide questions for responses at the pre-proposal conference meeting is _____ at 4:00 p.m. Pacific Standard Time. This will enable the City to prepare responses in advance.

Specific questions concerning the RFP should be submitted in writing to Steven Montagna, Contract Administrator, at steven.montagna@lacity.org with a copy to Devon Muir at devon.muir@mercer.com. Please identify the RFP title on the subject line of your message. All questions should identify the RFP section and page number, or the relevant General Contracting provision, for each question submitted. Additional questions may be accepted and addressed at the conference. However, responses may be deferred and posted online as addenda to the RFP at a later date. To ensure the fair and consistent distribution of information, all questions will be answered by and distributed at the Mandatory Pre-proposal conference and available online.

Subsequent questions regarding the RFP should be in writing and sent to Mr. Montagna and Mr. Muir. The City will make every effort to respond to all written questions as soon as practical. Responses to questions, or any other changes to or interpretation of the RFP, will be posted on the Plan's website at www.labavn.org. Any such changes or interpretations shall become a part of said RFP and may be incorporated into any Contract awarded pursuant thereto.

The final deadline for written questions following the pre-bid conference is _____.

1.8 GENERAL CONTRACTING REQUIREMENTS PRE-SUBMISSION OPTION AND SUBMISSION DEADLINES

The City's General Contracting Requirements are included in Exhibit 1. This Exhibit contains the City's Standard Provisions for Personal Service Contracts and a variety of documents and forms with which prospective City vendors must demonstrate compliance in order to be awarded a City contract.

Within Exhibit 1 are certain forms and requirements which must be fully completed and submitted, and details regarding certain processes which must be executed, by prospective vendors as part of their RFP response. Failure to complete/submit the forms and execute the required processes to the satisfaction of the City by the RFP deadline will result in disqualification of the vendor's proposal as being non-responsive.

The City will provide vendors an opportunity to demonstrate responsiveness to the City's General Contracting Requirements at a date prior to the RFP due date. Proposers should notify the Point of Contact for this RFP of their intent to utilize the pre-submission option. City staff will identify whether the documents as

submitted are or are not responsive to the City's requirements. If deemed non-responsive, the vendor will have time to demonstrate responsiveness by no later than the RFP proposal response deadline. Following that deadline, there will be no further opportunity for demonstrating responsiveness to the City's General Contracting Requirements. Failure to adequately demonstrate responsiveness to the City's General Contracting Requirements, or an explicit rejection by the vendor of those requirements or the City's contractual Standard Provisions, will result in disqualification of the proposal.

Following are the relevant dates with respect to this process:

General Contracting Requirements Preliminary Submission Deadline:

City Review Results Due to Vendor by :

Final RFP Response Deadline:

Vendors are not required to complete and submit their General Contracting Requirements forms/processes by the Preliminary Submission Deadline. However, it may be to their advantage to do so.

1.9 PROPOSAL DEADLINE

A portion of the response to this RFP must be submitted on paper, and a portion may be submitted electronically (e.g. online) or on paper, as specified further in this RFP. That portion which is required to be submitted on paper must be received by the RFP Contract Administrator no later than 3:00 p.m. **Pacific Standard Time on _____**. Electronic portions must be received no later than this date/time as well. Late responses will not be considered and will be recycled. The City reserves the right to extend the submission deadline should this be in the interest of the City.

SECTION 2

SCOPE OF SERVICES

The City is seeking an FDIC insured investment option that will provide interest income and liquidity while preserving principal. The savings option will be liquid; deposits and withdrawals may be made at any time without penalty or restriction. The interest rate is stated at the beginning of each calendar quarter and remains constant for all deposits during that calendar quarter. The level of risk (as measured by the standard deviation of a series of quarterly returns) and return is expected to be lower than that of the Plan's other investment fund options. Investment returns will be strictly interest income.

2.1 Minimum Qualifications for Financial Institutions:

1. The institution must be qualified to do business in the State of California and must be registered under the appropriate state and federal securities, insurance and banking laws. The proposed funds or investment products must be qualified to accept 457 plan investments.
2. The institution must not have been involved in any litigation or investigation by a federal or state security/insurance agency that could be deemed substantive by the City of Los Angeles. This would include expropriation of funds, insider trading, front running, or undisclosed derivatives or leverage
3. The institution must not be a broker or any third party selling another company's funds.
4. The institution must not charge a redemption fee, transfer fee, deferred sales charge, or up-front sales load, or should be willing to waive such fees or charges or refund them to the City. In addition, the institution cannot apply or levy a penalty or fee of any type, except for adjustments related to market valuation of a fixed investment product upon liquidation, if the City of Los Angeles, for any reason, finds it necessary to move or transfer funds to protect employees or if the City of Los Angeles does not renew a contract beyond its contract term.
5. All fees and expenses must be netted out of the credited rate.
6. The institution must have experience with and be willing to accommodate daily valuation.
7. The institution's total assets must equal or exceed \$2 billion.
8. Each individual account must be insured through the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Association (NCUA).

9. Account balances in excess of FDIC or NCUA insurance must be collateralized pursuant to the Local Agency Security Program (LASP) [California Government Code Section 16610-16622, 16520-16533, and 53635-53652].
10. The institution must meet the capital requirements as mandated by FDIC or NCUA for “well capitalized”.
11. The institution must have an “investment grade” rating from at least two nationally recognized rating agencies.
12. The proposed interest rate or rates must be indexed to a publicly available rate or benchmark.
13. The institution must have sufficient deposit capacity to accept the proportionate amount of deferrals into this option for the term of the contract.
14. The institution must place no restrictions or fees on a participant’s ability to withdraw.

B. Required Operational and Accounting Activities:

1. The institution must be able to provide daily values to the record-keeper for purposes of recordkeeping and participant servicing in line with the record-keeper’s daily reporting deadline.
2. The institution must provide the record-keeper with wire instructions to be used to make daily deposits and withdrawals. It is anticipated that the record-keeper will provide directions once daily. The institution must accept and process all deposits and withdrawals for plan-related transactions including contributions, investment election transfers, rollovers or transfers from other plans, benefit payments including loans and in-service withdrawals and required adjustments.
3. The institution must wire all redeemed amounts requested by record-keeper on same day if instructions are received by your institution by 8:30 a.m. Eastern Standard Time.
4. The institution must post incoming deposits promptly and accurately with same day crediting, if instructions are received by your institution 8:30 a.m. Eastern Standard Time.
5. The institution must provide written daily trade confirmation to the record-keeper.
6. The institution must provide daily written confirmation and identification of transactions and a monthly statement of activity to the record-keeper.
7. If participants are disadvantaged by a processing or pricing error committed by the institution, the institution must make the participants 'whole'.
8. The institution, and any subcontractors, must maintain financial and accounting records relating to the City of Los Angeles and supporting evidence pertaining to the contract in accordance with generally accepted accounting principles and other procedures specified by City of Los

Angeles. Finance and accounting records must be made available during normal business hours to City of Los Angeles, the Attorney General, the State Controller, and the Department of Finance (and/or any appropriate designees) during the contract period and any extension thereof, and for three (3) years from the date of termination.

9. Each institution shall make available to City of Los Angeles information and materials necessary to inform participants of the product.

C. Required Activities for FDIC Insured Savings Option

1. On a quarterly basis, provide to the City in writing the institution's leverage ratio, Tier 1 risk based capital ratio, total risk based capital ratio, Prompt Corrective Action (PCA) category and a statement as to whether or not employee deposits with the institution are entitled to "pass through" insurance coverage under the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Association (NCUA) regulations.
2. Upon request (within five business days), the institution must provide to the City in writing: the institution's leverage ratio, Tier 1 risk-based capital ratio, total risk-based capital ratio, Prompt Corrective Action (PCA) category, and a statement as to whether or not employee deposits with the institution are entitled to "pass through" insurance coverage.
3. If the institution's PCA capital category changes from "well capitalized" to "adequately capitalized," within ten business days of the change, the institution must provide to the City in writing: the institution's PCA capital category and whether or not new or rolled-over plan deposits are eligible for "pass-through" insurance coverage.

SECTION 3

PROPOSAL QUESTIONNAIRE

Responses to questions included within the first section of this questionnaire must be submitted on paper by the Proposal Submission Deadline of _____ along with any documents required to be submitted pursuant to the City's General Contracting Requirements and Section 4 of this RFP, "Submission Requirements."

However, in order to ensure the efficient review of each vendor's relative strengths and weakness, responses to questions posed in the balance of the questionnaire can be submitted electronically to the Board's consultant, Mercer Investment Consulting, via e-mail at devon.muir@mercer.com.

The RFP questions included in this RFP are intended to solicit important background information about your firm and fully disclose the data points upon which candidates will be evaluated. The City is not evaluating firms using any information other than what is included in this RFP. Responses to Mercer’s Questionnaire will be scored, whereas the background questions are non-rated, as specified below.

BACKGROUND QUESTIONS

A. BACKGROUND QUESTIONS

1. Provide a cover letter limited to no more than two pages. The cover letter must include the following:
 - i. Title “City of Los Angeles Deferred Compensation Plan Bank Deposit Savings Account RFP” and submission date
 - ii. Contact name of person authorized to represent Proposer
 - iii. Contact Name Title:
 - iv. Mailing Address:
 - v. Location of Business (if different from mailing address):
 - vi. Type of legal entity (corporation, limited liability company, joint venture, partnership, etc.)
 - vii. A short description of your organization, the businesses in which it engages and the services it provides.
 - viii. Telephone Number:
 - ix. Fax Number:
 - x. E-mail Address:
 - xi. The following statement:

“The undersigned hereby offers and agrees to furnish the goods and/or routine services in compliance with all the service level requirements, instructions, specifications, and any amendments contained in this RFP document and any written exceptions in the offer accepted by the City. This Proposal is genuine, and not sham or collusive, nor made in the interest or in behalf of any person not herein named; our firm has not directly or indirectly induced or solicited any other Contractor to put in a sham Proposal, or any other person, firm or corporation to refrain from submitting a Proposal; and our firm has not in any manner sought by collusion to secure for itself an advantage over any other Contractor. This Proposal is signed on behalf of our firm by an officer authorized to bind our firm to the Proposal. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and I agree to the terms and conditions in this proposal.”

2. Enter your City Business License Number or Vendor Registration Number if available. A license or registration number is not required for your proposal but would be required prior to execution of a Contract. To obtain a Business Tax Registration Certificate (BTRC) or Vendor Registration Number call the Office of Finance at (213) 473-5901 and pay the respective business taxes. The address is as follows: City of Los Angeles, City Hall, Room 101, Office of Finance, 201 North Main Street, Los Angeles, CA 90012 – <http://www.lacity.org/finance/>).
3. Enter your company’s State of California Board of Equalization permit number. If you do not have this permit, please make a statement to this effect.
4. Fill out and submit the appropriate California Revenue and Taxation Code form, if applicable (for out of state vendors).

5. Fill out and submit IRS form W-9.
6. Provide a statement indicating that your firm will comply with the City of Los Angeles General Contracting Provisions attached to this RFP in Exhibit I, including the Standard Provisions Rev. 06/12. Please note that your statement does not relieve you from providing all of the documents required pursuant to the "Proposal Response Checklist."
7. The City is estimating that the following insurance coverage types will apply to this Contract:
 - Workers Compensation (\$1,000,000)
 - General Liability (\$1,000,000)
 - Professional Liability (\$10,000,000)

Please verify that you will be able to meet the required coverages and that you will submit proof of such pursuant to Exhibit 1, "General Contracting Requirements - Insurance Requirements," as a condition of execution of any final contract (See Attachment 1, "Standard Provisions – Insurance Requirements" for further details). Note that if the proposer is a sole owner company with no employees, the proposer can sign the City's waiver of workers compensation. General Liability can also be obtained through the City's SPARTA program for small contractors. Links to the City's waiver form and SPARTA program from the City's Risk Management website are provided as follows:

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

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

8. **Lobbyist Disclosure** – Disclose any (1) arrangements your company has with any lobbyists and/or agents representing your company, and (2) any arrangements your company has with an unrelated individual or entity with respect to the sharing of any compensation, fees, or profit received from or in relation to the proposing company being awarded a Contract with the City. If any such arrangements exist, describe the nature of the relationship and the manner in which compensation or fees would be shared.
9. **Endorsement Disclosure** – Disclose any financial relationship your company has with any union, organization or association in conjunction with an endorsement. Provide details regarding the relationship, including any benefit that will be recognized by the union, organization or association in the event your company is awarded a Contract with the City.
10. If any portion of the Contract is to be subcontracted, it must be clearly set forth as to the part(s) to be subcontracted, the reasons for the subcontracting and a listing of subcontractors. For each subcontractor proposed, provide the following information:
 - i. The specific service being subcontracted
 - ii. Name of Subcontractor
 - iii. Subcontractor's Contact Name
 - iv. Contact Title
 - v. Contact Phone Number
 - vi. Mailing Address
 - vii. Location of Business (if different from mailing address)
 - viii. Telephone Number
 - ix. Description of Work to be Subcontracted
 - x. Reason Subcontracting

- xi. Percent of Total Contract to be Subcontracted & Dollar Amount
 - xii. Relevant work experience in years and level of responsibility
 - xiii. Experience in number of years that your firm has worked with the Subcontractor providing these services
 - xiv. Subcontractor a minority or women owned firm?
 - xv. If subcontractors will not be utilized, so indicate here.
11. Has your company been the subject of any complaint filed with any state or federal regulatory agency or office in the past five years? Has your company ever had a license to do business, an agent/broker license or any other insurance license revoked or suspended? Has your company ever been reprimanded or otherwise cited by a licensing agency? If any of these apply, please describe fully.
 12. Disclose the extent to which your business has been sued, or had other legal action initiated by clients and/or members/participants of any programs you administer, within the last five years.
 13. Identify and describe any past, pending or threatened judicial or administrative litigation (including lawsuits or protests) in which you have litigated against a client or prospective client, within the past five years, related to the type of services you are proposing. Indicate the reasons for the lawsuit/protest and the outcome. Provide contact information for the entity sued or challenged.
 14. Describe any incident within the past five years in which your business has had a Contract terminated for default. Termination for default is defined as notice to stop performance due to your organization's non-performance or poor performance and the issue was either not litigated, or litigated and such litigation determined your organization to be in default. Submit full details of all termination for default experienced by your firm during the past five years including the other party's name, address, telephone number and your firm's position on the matter. The City will evaluate the facts and may, at its sole discretion, reject your firm's proposal if the facts discovered indicate that completion of a Contract resulting from this RFP may be jeopardized by selection of your firm. If your firm has experienced no termination for default in the past five years, so indicate.
 15. Has your company or its subsidiaries ever filed or been petitioned into bankruptcy or insolvency or has your company ever made any assignment for the benefit of your creditors? If so, provide complete details.
 16. Describe what procedures and policies you have in place to protect against, and provide disclosure of, any potential or perceived conflict of interest involving relationships your firm may have with service providers for which you may also be asked to conduct performance reviews or otherwise evaluate for the City's Plan. To what extent and under what circumstances do the individuals who would be directly servicing the City's account personally meet with service providers that could be actual or potential City clients?

SCORED QUESTIONS

| Financial Strength | | |
|---|---|--|
| 1. | Total assets | |
| 2. | Total deposits | |
| 3. | Total equity | |
| 4. | Short-term credit ratings (Fitch/Moody's/S&P). | |
| 5. | Long-term deposit credit ratings (Fitch/Moody's/S&P). | |
| 6. | Total risk-based capital ratio | |
| 7. | Tier I capital ratio | |
| 8. | Leverage ratio | |
| Relevant Experience and Service | | |
| 9. | Provide the number of clients to which you currently offer FDIC insured products for retirement plans. | |
| 10 | List all current public sector clients for which your firm provides investment services. | |
| 11 | Which of your firm's offices would service this account? | |
| 12 | Who would be the City of Los Angeles' client service officers? How often would they be available for meetings with City of Los Angeles? What do you believe distinguishes your firm's client service program? How often could the portfolio manager, chief investment officer and/or firm president, etc., be available for meetings with the City of Los Angeles. | |
| FDIC-insured product characteristics | | |
| 13 | List the vehicle type | |
| 14 | Will your institution be able to meet all required qualifications and activities established in Section 2 – Scope of Services? | |
| 15 | Proposed interest rate structure: Describe the interest crediting method including reference rate and any adjustment that would be employed. Provide simulated quarterly returns that would have been credited for the last 40 quarters (or as long as available) ending September 30, 2013. . Will the interest crediting rate change as the amount of Pln assets held in the account grows? | |
| 16 | Describe your process for collateralizing investments that exceed the maximum FDIC coverage threshold pursuant to California Government Code Section 16610-16622, 16520-16533, and 53635-53652. | |
| 17 | List any fees associated with your product? Do you offer a tiered fee schedule? Describe. | |
| 18 | Indicate whether your institution would be willing to hold more than 50% of the value of this Plan investment. (asset values as of 9/30/2013 provided in the accompanying Plan administrator report). | |
| 19 | Are employee benefit plan deposits with your institution eligible for "pass-through" insurance coverage? | |

| Accounting Capabilities | | |
|--------------------------------|---|--|
| 20 | Provide a sample of the wire instructions for incoming purchases or redemptions that your firm will expect the record-keeper to use. | |
| 21 | Describe your firm's ability to post incoming assets promptly and accurately. Detail the system used for posting. Include cutoff times and aspects of your process that distinguishes your firm from your competitors. | |
| 22 | Describe how your firm will give daily values to the record-keeper including time restrictions for same day crediting. Describe your ability to deliver information to the record-keeper. Include cutoff times, timing flexibility, and time restrictions. Describe the aspects of your process that distinguishes your firm from your competitors. | |
| 23 | Describe your firm's procedures and protocols for processing redemptions/transfers. Include time constraints, and describe the aspects of your process that distinguishes your firm from your competitors. | |
| 24 | Describe your firm's verification procedures to confirm amounts received, written and verbal. How will you provide written daily trade confirmation, daily wiring of funds and information on distributions to the record-keeper and City of Los Angeles, as applicable? | |
| 25 | If applicable, describe how your firm will provide advance information to the record-keeper on the dates of income distributions. | |
| 26 | Detail how your firm's backup communication system operates in the event any electronic interface between the record-keeper and your firm is inoperable. | |
| 27 | Provide a list of record-keepers with whom you currently do business in conjunction with institutional clients (preferably 457 and 401(k) plans). What are your reporting capabilities with respect to Trustees and record-keepers? | |
| 28 | Provide samples of all standard reports, including month-end statements, that your firm provides to clients and indicate their frequency. Describe your firm's reporting flexibility and ability to customize reports to meet client needs. | |
| 29 | | |
| Additional Information | | |
| 30 | Provide any additional data your business believes essential to the evaluation of your Proposal. If there is no additional data you wish to present, you should state the following: "There is no additional data we wish to present." | |

SECTION 4

PROPOSAL FORMAT AND SUBMISSION REQUIREMENTS

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

4.1 Addendum(a)

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

4.2 In Writing

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

4.3 Cover Letter

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

4.4 Best Offer

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

4.5 Authorized Signatures

Proposals must be signed by a duly authorized officer eligible to sign contract documents and authorized to bind the company to all commitments made in the proposal. A non-officer individual, with the authority to bind the contract, is sufficient to sign all applicable documents for the purpose of this RFP. Consortiums, joint ventures, or teams submitting proposals will not be considered responsive unless it is established that all contractual responsibility rests solely with one proposer or one legal entity. The proposal must identify the responsible entity.

4.6 Number of Copies Required

Proposers are required to submit:

- One (1) original proposal sent to the City of Los Angeles Point of Contact which includes all required responses to Part A (see specific instructions in Section 3) and Part B, with all documents signed in ink;
- One (1) copy of the proposal sent to the City of Los Angeles Point of Contact which includes all required responses to Part A (see specific instructions in Section 3) and Part B; and
- One (1) electronic copy of the proposal sent to Devon Muir of Mercer Investment Consulting at devon.muir@mercer.com.

Original and copies should be identified as such. If any proposal contains any trade secrets or other proprietary information that the Proposer claims is exempt from disclosure under the California Public Records Act (See Section 9.1 of this RFP), one (1) redacted copy of the proposal must also be submitted in addition to the original version and six copies. Written proposals must be presented in a sealed envelope or box. Proposer must enter the title and proposer's name on the outside of the envelope or box. Sealed proposals are to be delivered to the address listed in this RFP no later than the stated proposal submission deadline.

Certain efficiencies in how proposals are prepared and submitted are requested in order to facilitate the review, storage and recycling processes for proposal materials. Economy in presentation and packaging is preferred over materials which are not easily reproduced, create unnecessary waste, or awkward to store. **Please do not submit materials in plastic binders.** Each response should have the bulk of its contents prepared on standard 8 ½ x 11 paper. Non-essential promotional materials and over-sized materials should be avoided wherever possible except as otherwise requested within the RFP.

4.7 USB flash drive, CD or DVD

In addition to the hard copies of the proposal, proposers are required to provide a copy of the proposal in Adobe PDF and Microsoft Word format on a USB flash drive, CD or DVD (original and redacted). The contents of the USB flash drive, CD or DVD should include the original PDF of the entire RFP response, RFP response redacted version (if applicable) and Word or Excel files as requested in the RFP. The USB flash drive, CD or DVD containing the proposal should be labeled with the firm name and title of this RFP and placed in a sealed envelope with the firm's name written across the front of the envelope and attached or affixed inside the front cover of the original RFP.

4.8 Information Requested and Not Furnished

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

4.9 Alternatives

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

4.10 Proposal Errors

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

4.11 Proposal Clarification

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

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

4.12 Waiver of Minor Administrative Irregularities

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

4.13 Interpretation and Clarifications of RFP Requirements

The City will consider prospective recommendations or suggestions regarding any requirements before the pre-proposal conference. All recommendations or suggestions must be in writing and submitted to the Contract Administrator (see page 1 of the RFP). The City reserves the right to modify or amend any and all requirements of the RFP.

4.14 Proposal Submission Deadline

Timely submission of proposals is the sole responsibility of the proposer. The City reserves the right to determine the timeliness of all submissions. The proposals, including all hard copies, redacted copies and electronic copies of the final proposals must be received at the following address:

**City of Los Angeles Personnel Department
Employee Benefits Division
City Hall, Room 867
200 North Spring Street
Los Angeles, CA 90012**

Attention: Steven Montagna

By 4:00 P.M. Pacific Standard Time on _____, 2013.

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

4.15 Late Proposals

Proposals submitted after the Proposal Submission Deadline shall be considered late. Late proposals will not be accepted and shall be recycled by the City.

4.16 Cost of RFP

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

4.17 Withdrawal of Proposals

Proposer may withdraw a submitted proposal in writing at any time prior to the Proposal Submission Deadline. A written request, signed by an authorized representative of the Proposer, must be submitted to the Contract Administrator. A PDF copy of the written withdrawal may be emailed to: samantha.hanzy@lacity.org. After withdrawing a previously submitted proposal, the proposer may submit another proposal at any time up to the Proposal Submission Deadline.

4.18 Award of Contract

Award of contract is made to the Proposer with the highest score based on the RFP criteria and subject to satisfaction of all City contracting requirements. Awards are not restricted to the lowest offer or bid. Should contract negotiations not be successful with the selected Proposer, the City may, based on its exclusive discretion, negotiate with the Proposer having the next highest total score or cancel the RFP selection process.

4.19 Rejection of Proposals

The City reserves the right to reject any or all proposals; to waive any minor informality in proposals received; to reject any unapproved alternate

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

4.20 RFP Withdrawal, Cancellation, Other Options

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

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

The City reserves the right to verify all information in the proposal. If the information cannot be verified, the City reserves the right to reduce the rating points awarded.

The City reserves the right to require a pre-award interview and/or site inspection.

4.21 Contract Evaluation Program

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

4.22 Campaign Contributions

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

- b) Proposers must submit CEC Form 55, found in the Standard Provisions for City Contracts ((Rev. 06/12) provided in Appendix 12) to the awarding authority at the same time the Proposal is submitted. The Form requires Proposers to identify their principals, their subcontractors performing \$100,000 or more in work on the Contract, and the principals of those subcontractors. Proposers must also notify their principals and subcontractors in writing of the restrictions and include the notice in contracts with subcontractors. Proposals submitted without a completed CEC Form 55 shall be deemed non-responsive. Proposers who fail to comply with City law may be subject to penalties, termination of Contract and debarment. Additional information regarding these restrictions and requirements may be obtained from the City Ethics Commission at (213) 978-1960 or <http://ethics.lacity.org/>

1.23 Business Inclusion Program Requirements (BIP)

It is the policy of the City to provide Minority Business Enterprise (MBE), Women Business Enterprise (WBE), Small Business Enterprise (SBE), Emerging Business Enterprise (EBE), Disabled Veteran Business Enterprise (DVBE), and all Other Business Enterprise (OBE) concerns an equal opportunity to participate in the performance of all City contracts. Proposers will assist the City in implementing this policy by taking all reasonable steps to ensure that all available business enterprises, including MBEs, WBEs, SBEs, EBEs DVBEs and OBEs, have an equal opportunity to compete for, and participate in, City contracts. Equal opportunity will be determined by the Proposer's BIP outreach documentation, as described in the Standard Provisions for City Contracts (Revised 06/12), Attachment 14, the Business Inclusion Program for this RFP. Participation by MBEs, WBEs, SBEs, EBEs, DVBEs and OBEs may be in the form of subcontracting. Proposers must refer to Attachment 14 Business Inclusion Program to this RFP for additional information and instructions. BIP outreach must be performed using the Business

Assistance Virtual Network (www.labavn.org). A Proposer's failure to utilize and complete their BIP Outreach as described in Attachment 14 may result in their proposal being deemed non-responsive. The deadline to submit the BIP Summary Sheet on www.labavn.org is _____ on _____, 2013.

4.24 Local Business Preference Program Ordinance

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

Proposers shall refer to Standard Provisions for City Contracts (Revised 06/12), Attachment 13, "Local Business Preference Program" for further information regarding the requirements and application of the Ordinance.

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

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

4.25 First Source Hiring Ordinance

Unless approved for an exemption, contractors under contracts used primarily for the furnishing of services to or for the City and that involve an expenditure in excess of \$25,000 and a contract term of at least three (3) months, and certain recipients of City Loans or Grants, shall comply with the provisions of Los Angeles Administrative Sections 10.44, et seq., First Source Hiring Ordinance (FSHO). Proposers shall refer to Standard Provisions for City Contracts (Revised 06/12), Attachment 11, "First Source Hiring Ordinance" for further information regarding the

requirements of the Ordinance. The Anticipated Job Opportunities Form (FSHO-1) and Subcontractor Information Form (FSHO-2) contained in the Attachment shall only be required of the Proposer that is selected for award of a contract.

4.26 Confidentiality

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

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

The Contractor must not remove Confidential Information or any other documents or information used or reviewed in connection with the Contractor's work for the City from City facilities without prior approval from the City. At no cost to the City the Contractor will, at the conclusion of this Agreement, or at the request of the City, promptly return in an organized manner that preserves and protects the documentation, any and all Confidential Information and all other written materials, notes, documents, or other information obtained by the Contractor during the course of work under this Agreement to the City. The Contractor will not make or retain copies of any such information, materials or documents. The Contractor and its employees, agents, and subcontractors may have access to confidential medical records information, which access is controlled by statute. Misuse of such information may adversely affect the subject

individual's civil rights and violates the law. The Contractor will implement reasonable and prudent measures to keep secure private medical history information accessed by its employees, agents, and subcontractors during the performance of this Agreement. The Contractor will advise its employees, agents, and subcontractors of this confidentiality requirement.

The Contractor shall disclose the intent to use any service provider outside the continental United States of America to handle any aspect of the work within the scope of this Contract, and shall describe to the City's satisfaction the methods, which will be utilized to protect the City's interests and confidentiality of City records and information in doing so. The City reserves the right to approve any such service provider throughout the term of this Contract at its sole and absolute discretion.

Any breach of security that occurs through Contractor's website, offices or network shall require Contractor to be responsible for notifying City and all applicants affected by such breach. Contractor shall also be responsible for all costs associated with such notification.

4.27 Government Taxation Forms

Proposers must submit the following three forms found in the Standard Provisions for City Contracts (Rev. 06/12), Attachment 3 to the awarding authority at the same time the Proposal is submitted:

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

4.28 On-Line Submission of Required Documents

a) Nondiscrimination, Equal Employment Practices and Affirmative Action Program (Non-Construction)

Proposers are advised that any contract awarded pursuant to this procurement process shall be subject to the applicable provisions of Los Angeles Administrative Code Section 10.8.2., Non-discrimination Clause.

Non-construction services to or for the City for which the consideration is \$1,000 or more shall comply with the provisions of Los Angeles Administrative Code Sections 10.8.3., Equal Employment Practices Provisions. All Proposers shall complete and upload the Non-Discrimination/Equal Employment Practices Affidavit (two (2) pages) available on the City of Los Angeles' Business Assistance Virtual Network (BAVN) residing at www.labavn.org prior to award of a City contract valued at \$1,000 or more.

Non-construction services to or for the City for which the consideration is \$100,000 or more shall comply with the provisions of Los Angeles Administrative Code Sections 10.8.4., Affirmative Action Program Provisions. All Proposers shall complete and upload the City of Los Angeles Affirmative Action Plan (four (4) pages) available on the City of Los Angeles' Business Assistance Virtual Network (BAVN) residing at www.labavn.org prior to award of a City contract valued at \$100,000 or more. Proposers opting to submit their own Affirmative Action Plan may do so by uploading their Affirmative Action Plan onto the City's BAVN.

Both the Non-Discrimination/Equal Employment Practices Affidavit and the City of Los Angeles Affirmative Action Plan Affidavit shall be effective for a period of twelve months from the date it is first uploaded onto the City's BAVN.

Proposers seeking additional information regarding the requirements of the City's Non-Discrimination Clause, Equal Employment Practices and Affirmative Action Program may visit the Bureau of Contract Administration's web site at <http://bca.lacity.org>.

b) Equal Benefits Ordinance

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

All Proposers shall complete and upload the Equal Benefits Ordinance Affidavit (two (2) pages) available on the City of Los Angeles' Business Assistance Virtual Network (BAVN) residing at www.labavn.org prior to award of a City contract, the value of which exceeds \$5,000. The Equal Benefits Ordinance Affidavit shall be effective for a period of twelve months from the date it is first uploaded onto the City's BAVN. Proposers do not need to submit

supporting documentation with their bids or proposals. However, the City may request supporting documentation to verify that the benefits are provided equally as specified on the Equal Benefits Ordinance Affidavit.

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

c) Slavery Disclosure Ordinance

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

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

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

4.29 Americans with Disabilities Act

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

SECTION 5

EVALUATION OF PROPOSALS

1.0 Review Process

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

Preliminary Review – Level One

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

Proposal Evaluation - Level Two

The Plan’s investment consultant and Employee Benefits Division staff have been designated by the Board to evaluate/score the Technical Competence of all proposals and generate recommendations for selection to the Board. All written responses to the RFP questionnaire will be considered and evaluated. The award of the contract is subject to successful negotiation of the terms and conditions of an agreement.

1.1 Review Criteria

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

| Category - Rating Factors | Weights | Scale |
|------------------------------------|-----------|------------|
| Financial Strength | 40 | 200 |
| ➤ Assets, deposit base, and equity | 15 | 75 |
| ➤ Credit ratings | 10 | 50 |
| ➤ Key ratios | 15 | 75 |

| | | |
|--|------------|------------|
| Relevant Experience and Service | 10 | 50 |
| ➤ Number of retirement plan clients | 3 | 15 |
| ➤ Public Sector Clients | 2 | 10 |
| ➤ Provider/Participant Materials | 2 | 10 |
| ➤ Client service capabilities | 3 | 15 |
| FDIC Insured Savings Option | 40 | 200 |
| ➤ Product viability in DC plan | 10 | 50 |
| ➤ Competitiveness of interest rate structure | 15 | 75 |
| ➤ Collateralization complies with regulations | 5 | 25 |
| ➤ Presence of additional fees | 5 | 25 |
| ➤ Capacity to accept Plan deposits | 5 | 25 |
| Accounting Capabilities/Required Activities | 10 | 50 |
| ➤ Interface With Record-Keeper | 7 | 35 |
| ➤ Reporting | 3 | 15 |
| TOTAL--> | 100 | 500 |

5.2 Proposal Protest

Level One - Preliminary Review

Proposer may file a protest regarding disqualification at the Level One review. (See Section 8.0, "Preliminary Review – Level One".) A Notice of Protest must be filed in writing and submitted to the Contract Administrator within five (5) calendar days of the notification of disqualification date. The Notice of Protest must clearly state the grounds for the protest and the facts on which they are based. The Personnel Department will respond to a protest within 15 calendar days of receiving it, and the Department, at its election, may set up a conference call with the Proposer to discuss the protest concerns. The decision of the Personnel Department General Manager will be final.

Level Two - Review and Award the Contract Recommendation

Proposers may file a protest regarding the Award of the Contract recommendation submitted to the Board. A Notice of Protest must be filed in writing and submitted to the Contract Administrator within seven (7) calendar days of the non-selection notice date. The Notice of Protest must clearly state the grounds for the protest and the facts on which they are based. A protest based on non-selection alone or disagreement with Award of the Contract recommendation is not sufficient grounds for a Protest.

Personnel Department staff will respond to a protest, in writing, within 20 calendar days of receiving it, and the Personnel Department, at its election, may set up a conference call or meeting with the Proposer to discuss the protest

concerns. Findings will be submitted to the Board of Deferred Compensation Administration and the decision of the Board will be final.

SECTION 6

GENERAL TERMS & CONDITIONS

6.0 Property of City/Proprietary Material

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

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

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

6.1 Pre-Award Negotiations

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

1.2 Execution of Contract

Unless otherwise stated, proposals submitted will be irrevocable for a period of 120 days following the proposal opening date. A contract will be developed following action by the Board.

Any contract made pursuant to this RFP must be accepted in writing by the Proposer. If for any reason Proposer should fail to accept the contract in writing, any conduct by Proposer which recognizes the existence of a contract pertaining to the subject matter hereof will constitute acceptance by Proposer of the contract and all of its terms and conditions.

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

6.3 Amendments/Modifications/Change Orders

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

6.4 Prime Contractor

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

6.5 Subcontractors/Joint Ventures

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

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

conform to the limitations and documentation requirements of the resultant agreement.

1.5.1 Copies of Subcontractor Agreements

Upon written request from the City, the Contractor will supply the City with all subcontractor agreements.

6.6 Supplier Performance Feedback Meetings

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

6.7 Replacement of Contractor's Staff

The City reserves the right to have the Contractor replace any contract personnel with equally or better qualified staff upon submitting written notice to Contractor. In addition, the City reserves the right to approve in advance any changes in project personnel or levels of commitment by the Contractor to the project.

6.8 Contractor's Address

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

1.9 Assigned Personnel

Proposers shall provide a written response to the following questions, reproducing the question with each answer. If a question does not apply to you, please write in "not applicable" and then state the reason why the questions does not apply to your firm.

1. Indicate the number of personnel (including support personnel) that will be assigned to this account, their job titles, and roles. Include an organizational chart of the personnel that includes name, job title, and work location (full address). Please specify if the assigned personnel will telecommute from home location and what percentage of time will be spent telecommuting.
2. List the name, title, responsibility, firm, and industry experience of the primary person that will be assigned to this account and the backup contact person.
3. Provide resumes of all the professionals who will be assigned to this account. Describe their qualifications including education, experience, number of years with your firm, number of years working with health and welfare plans and specifically years working with large public sector plans.
4. The City reserves the right to approve/accept key personnel. Proposer must notify City in writing within three business days if key personnel are removed from the City account.

7.0 Term & Option to Renew

The term of any Contracts(s) established pursuant to this RFP shall be for an initial period of three years from the Contract effective date as provided for by the final Contract, with an option to be extended for up to two additional years should the City seek and grant approval for said extension.

8.0 Standard Provision Requirements

Please carefully review the information contained in the City of Los Angeles Requirements and Checklist, including the Standard Provisions for City Contracts. Compliance with these requirements and submission of necessary forms is mandatory at the time of submission of a proposal, prior to award of contract, or both. These requirements will be discussed in detail at the Pre-Proposal Conference. Failure to comply with the requirements will render proposals non-responsive and eliminate them from consideration.

9.0 Governing Law

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

10.0 California State Sales Tax

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

11.0 California State Board of Equalization Permit

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

12.0 Federal Excise Taxes

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

13.0 Periodic Independent Audit

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

14.0 Financial Audit

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

15.0 Proposer Background Information

Proposers must submit contact information as listed below.

| | |
|--------------------------|--|
| Proposer’s Contact Name: | |
| Contact Title: | |

| | |
|--|--|
| Mailing Address: | |
| Address of Business (if different from mailing address): | |
| Telephone Number: | |
| Cell Phone Number: | |
| 24-Hour Tel. Number: | |
| Fax Number: | |
| E-mail Address: | |
| Remittance Address (if different from mailing address): | |

16.0 Verification of Prior City Contracts

The City Council adopted a resolution requiring vendors to provide a list of all City contracts held within the past 10 years to be included in the response package for all bids and proposals. Performance on past contracts with the City of Los Angeles will be part of the evaluation criteria. Failure to disclose this information will deem the proposal non-responsive. (See Attachment 6 of the Standard Provisions for City Contracts (Rev 06/12).

17.0 History of Terminated Contracts

If the Proposer(s) has had a contract terminated for default, or any other reason during the past ten years, all such incidents must be described. Termination for default is defined as notice to stop performance due to the Proposer’s non-performance or poor performance and the issue was either not litigated; or litigated and such litigation determined the proposer to be in default. Submit full details of all terminations experienced by the proposer during the past five years including:

- Company Name
- Number of Covered Lives (Employees)
- Number of Covered Lives (Employees and Dependents)
- Name of Contact
- Title of Contact
- Telephone Number
- Email Address
- Dates and Types of Services Provided (Plan type, HMO,

PPO, Narrow Network, etc.)
Contract Effective Date
Date of Contract Termination
Reason for Termination of Services

Present the proposer's position on the matter. The City will evaluate the facts and may, at its sole discretion, reject the Proposer's proposal if the facts discovered indicate that completion of a contract resulting from this RFP may be jeopardized by selection of the proposer.

If the proposer has experienced no termination for default in the past ten years, so indicate.

18.0 Business Organization

Proposer shall provide an overview of the entity submitting this RFP including the following information.

1. Date entity was established and location of entity when established
2. Location of headquarters (full address)
3. If your firm has more than one office location, which of your firm's offices will service this account? Which services will each office specifically provide?
4. Total number of employees
5. Total number of employees in the City of Los Angeles
6. Total number of employees in the County of Los Angeles
7. Annual revenues
8. Organization chart indicating the positions and names of the core management team which will undertake this project
9. Resumes for all core team members
10. Brief history and description of entity
11. Number of employees providing services for this contract
12. Number of employees reported in Question 11 above whose exclusive, primary work location is in the County of Los Angeles

19.0 Proposed Subcontractor Information

If applicable to proposal, the following information must be provided for each proposed subcontractor.

1. Subcontractor's name, mailing address, phone number
2. Subcontractor's contact name, title, phone number
3. Subcontractor's registration # and/or license #, if applicable
4. Description of work to be subcontracted
5. Reason(s) for subcontracting

- 6. Percentage of total contract to be subcontracted and dollar amount
- 7. If subcontractor is a MBE, WBE or OBE

If subcontractors will not be utilized, so indicate.

20.0 Proposer Signature Declaration Page

The undersigned hereby offers and agrees to furnish the goods and/or routine services in compliance with all the service level requirements, instructions, specifications, and any amendments contained in this RFP document and any written exceptions in the offer accepted by the City.

This proposal is genuine, and not sham or collusive, nor made in the interest or in behalf of any person not herein named; the proposer has not directly or indirectly induced or solicited any other proposer to put in a sham proposal, or any other person, firm or corporation to refrain from submitting a proposal; and the proposer has not in any manner sought by collusion to secure for itself an advantage over any other proposer.

Each proposal must be signed on behalf of the proposer by an officer authorized to bind the proposer to the proposal.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and I agree to the terms and conditions in this proposal.

| | | |
|--------------------------------|-------|------|
| Company Name | | Date |
| Signature of Authorized Person | | |
| Printed Name | Title | |
| Address | | |
| City, State, Zip | | |

The proposer hereby acknowledges receipt of and agrees this Proposal is based on the RFP and the following addenda. Failure to indicate receipt of addenda may result in the proposal being rejected as non-responsive. To constitute a responsive proposal you must return all pages of the proposal forms.

ADDENDUM #: _____ DATED: _____
 ADDENDUM #: _____ DATED: _____

