

**REQUEST FOR PROPOSAL
FOR
INVESTMENT CONSULTING SERVICES**



**CITY OF OWOSSO
301 W. MAIN STREET
OWOSSO, MICHIGAN 48867**

December 23, 2014

Date Due: January 20, 2015, 3:00 p.m.

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I. INTRODUCTION

The City of Owosso Employees Retirement System Board of Trustees (the COERS Board) requests proposals regarding the provision of investment advisory consulting services as described in the Scope of Services. The consulting firm (the Firm) will provide the Board and Staff with strategy, implementation and oversight of the Plan’s assets, to ensure sufficient assets are available to meet current and future benefit obligations.

II. BACKGROUND

City of Owosso Employees Retirement System (the Plan) is a defined benefit plan for employees of the City of Owosso, Michigan. Benefits include age and service retirement, disability retirement and survivor benefits. The Plan is closed to new members for all service groups except Police and Fire.

As of December 31, 2013 the system’s investment assets totaled \$31.9 million with a 7.25% assumed rate of return. The current Plan Custodian is Merrill Lynch. All Plan assets are actively managed and invested with six different investment managers. The Plan has a Commission Recapture agreement with Russell Investments already in place. Investments are governed by PA 314 of 1965, as amended. The current asset allocation policy is:

<u>Asset Class</u>	<u>Target</u>
Large Cap Growth Equities	24.75%
Large Cap Value Equities	24.75%
Small Cap Equities	5.5%
International Equities	12%
Fixed Income	30%
Cash	3%
Total Fund	<u>100%</u>

The Board is responsible for the general administration, management, and proper operation of the System. The Board consists of seven Trustees, including four active member employee representatives, two Owosso City Council members, and one citizen-at-large. The Board regularly meets the third Thursday of even months. Meetings begin at 7:15 a.m. and generally last 1.5 – 2 hours. The Investment Consultant is expected to attend every meeting.

In addition, the Investment Consultant may be asked to meet with the Board for special meetings from time to time. Meetings generally take place at the Owosso City Hall, 301 West Main Street, Owosso, Michigan.

III. SCOPE OF SERVICES

The Board is seeking proposals for the provision of investment advisory services including, but not limited to the following:

A. Development of Investment Policy, Objectives and Guidelines

Assist the Board in the development and periodic review of an investment policy that properly reflects the Board’s tolerance for risk and that best helps the Board meet its rate-of-return, funded status and administrative expense objectives. The policy shall include performance standards and guidelines for each investment manager.

B. Asset Allocation

Perform asset allocation studies. Such studies will generally include a review of the following: a) the actuarial report and assumptions, b) Plan financial statements, c) current investment policy and guidelines, d) the Plan's liquidity needs, short-term and long-term investment objectives and the Board's risk tolerance, and e) other data, as may be required to conduct a comprehensive review of fund assets, investment strategy, and related policies. Process to include delivery of a written report with both statistical and graphical analysis, including a recommended asset allocation policy and manager role structure.

C. Investment Manager Search, Selection and Due Diligence

1. Analysis leading to the identification of appropriate manager roles consistent with long-term investment objectives and existing manager roles.
2. Development of objective screening criteria and scanning of investment manager data bases for qualified candidates.
3. Preparation and distribution of a Request for Proposal (RFP) to candidate investment managers (to include specific candidates provided by the Board or the Firm). Clarification of the RFP for candidates. Receipt and evaluation of proposals from candidates.
4. Preparation and delivery of a written report including recommendation of management firms for interview by the Board. Assist the Board with the selection process and make recommendations.
5. Facilitate review and completion of manager contract and related documentation, negotiate fees with the chosen manager, develop a formal transition plan, which may or may not require a transition manager, and prepare other necessary correspondence between client, custodian and managers, as well as oversee the funding process.

D. Performance Measurement & Reporting

1. Calculation and analysis of investment return and risk of the total fund and each investment portfolio, an overview of the capital markets environment, results of the present investment strategy and a peer group comparison of the overall fund's and investment managers' performance.
2. Reports compiled pursuant to this provision to be delivered approximately four to six weeks after the end of every calendar quarter. The measurement and analysis of investment performance will include all investment portfolios and the total fund utilizing the Plan's current asset allocation benchmarks. The reports may also include, if applicable, up to ten (10) years of historical, quarterly investment returns for existing portfolios.
3. Attribution analysis of each manager's results.
4. Analysis of total plan cash flows and current asset allocation versus policy.
5. Written statement of each manager's compliance with local and statutory guidelines.
6. Written conclusions and recommendations.

E. Monitor compliance with Act 314

Monitoring investment of the Plan's assets for compliance to Public Act 314 of 1965, as amended, with written reports to be included in each quarterly performance report submitted to the Board.

F. Assist in Fund Diversification

Assist the Board in development of an investment manager structure that provides adequate diversification with respect to the number and types of investment managers to be retained by the Board. Suggestions and recommendations for change in the structure of investment manager roles, as needed.

G. General Consulting Services

Provide advisory services and consulting as requested by the Board, including, but not limited to:

1. Trading cost and commission recapture evaluation, by investment manager.
2. Suggestions and/or recommendations for changes in asset allocation as deemed appropriate for rebalancing, liquidity or strategic purposes.
3. Monitor activities of the Plan's investment managers and alert the Board as to changes in ownership, management, key personnel, etc.
4. Assistance and advice for rebalancing of the Plan to target allocation.
5. Assistance and advice with ongoing Plan liquidity needs.
6. Investment education for the Trustees.
7. Prepare all written correspondence between Board, custodian and managers.
8. Schedule and arrange incumbent investment manager presentations.

H. Historical Information Related to Specific Holdings

Upon request, provide information regarding the holdings, sale and purchase of specific equities in order to complete proofs of claim related to securities litigation.

IV. PROPOSAL SPECIFICATIONS

A. Response Timetable and Submission Requirements

The following is the tentative time schedule for Board's review of responses to this RFP. All dates are subject to modification by the Board.

Issuance of RFP	December 23, 2014
Deadline for Questions	January 9, 2015 by 4:00 p.m. EST
Response to Written Questions	January 13, 2015
RFP Response Deadline	January 20, 2015 by 3:00 p.m. EST
Oral Presentations by Finalists	March 5, 2015 at 7:15 a.m. EST

Firms with multiple consultants will be limited to one response. The completed response must be delivered on or before 3:00 p.m. EST on Tuesday, January 20, 2015. Any response delivered after the deadline will not be considered. Faxed and e-mailed transmissions are not acceptable. Respondents will provide one original and nine copies of the response and all accompanying materials in the format and the order described in this RFP. In addition, an electronic copy on CD-ROM must be included in the package.

All proposals must be sealed and clearly labeled on the outside of the package as follows:

**Re: RFP for Investment Advisory Services
City of Owosso Employees Retirement System
301 West Main Street
Owosso, MI 48867**

The questions in section VII. QUESTIONNAIRE shall be duplicated in their entirety within the response, with each question and/or request repeated before the answer or response. The response must be organized with sections clearly marked and page numbers indicated in a Table of Contents.

The response must be accompanied by a cover letter that should be signed by the individual(s) who will meet with and provide advice to the Board at each meeting. The cover letter must include:

1. Firm name, address, and telephone/fax numbers; and
2. The name of the primary contact, title or position, and email address; and
3. A statement validating the proposal as a firm and irrevocable offer of the firm that will remain valid for a period of ninety (90) days.

In addition to the Questionnaire and Cover Letter respondents must also include the following:

Completed Signature Page, signed by an authorized officer of the firm; and
Completed Consent & Release, signed by an authorized officer of the firm.

B. Communications

Firms that intend to submit a response should not contact any member of Board of Trustees. An exception to this rule applies to firms who currently do business with the Board, but any contact made by such firm(s) with persons should be limited to that business, and should not relate to this RFP.

In addition such firms should not discuss this RFP with any employee of Plan's custodian, investment managers, or advisors (attorney, actuary, auditor, etc.).

C. Questions Relating to this RFP

All questions concerning this RFP must be received in writing via email by January 9, 2015 at 4:00 p.m. EST. Direct inquiries to: amy.kirkland@ci.owosso.mi.us. Your submission must include an email address to receive a response. All questions received in accordance with this section will be answered via one email to all respondents who have provided an email address. Questions submitted after the question deadline will not be considered.

D. Insurance Requirements

The contractor/service provider, and any and all of their subcontractors, shall not commence work in the City of Owosso until they have obtained the insurance required under this paragraph. All coverage shall be with insurance companies licensed and admitted to do business in the State of Michigan. All coverage(s) shall be with insurance carriers acceptable to the City of Owosso.

- Workers' Compensation Insurance:** The contractor/service provider shall procure and maintain during the life of the contract, Workers' Compensation Insurance, including Employers' Liability Coverage, in accordance with all applicable statutes of the State of Michigan.

- Commercial General Liability Insurance:** The contractor shall procure and maintain during the life of the proposed contract, Commercial General Liability Insurance on an "Occurrence Basis" with limits of liability not less than \$1,000,000.00 per occurrence and aggregate combined single limit for Personal Injury, Bodily Injury and Property Damage. Coverage shall include the following extensions: (A) Contractual Liability; (B) Products and Completed Operations; (C) Independent Contractors Coverage; (D) Broad Form General Liability Extensions or equivalent, if not already included; (E) Deletion of all Explosion, Collapse and Underground Exclusions, if applicable.
- Motor Vehicle Liability:** The contractor shall procure and maintain during the life of this contract Motor Vehicle Liability Insurance, including Michigan No-Fault Coverages, with limits of liability not less than \$1,000,000.00 per occurrence combined single limit for Personal Injury, Bodily Injury and Property Damage. Coverage shall include all owned vehicles, all non-owned vehicles and all hired vehicles.
- Fiduciary Liability:** The contractor shall procure and maintain during the life of this contract, Fiduciary Liability insurance in an amount not less than \$10,000,000 per occurrence and \$10,000,000 aggregate. If this policy is claims made form, then the contractor shall be required to keep the policy in force, or purchase "tail" coverage, for a minimum of 3 years after the termination of this contract.
- Errors & Omissions:** The service provider shall procure and maintain during the life of this contract Errors & Omissions insurance adequate for the services provided.
- Directors & Officers:** The service provider shall procure and maintain during the life of this contract Directors & Officers insurance adequate for the services provided.
- Additional Insured:** Commercial General Liability and Motor Vehicle Liability, as described above, shall include an endorsement stating that the following shall be *Additional Insureds*: The City of Owosso, all elected and appointed officials, all employees and volunteers, all boards, commissions and/or authorities and board members, including employees and volunteers thereof. It is understood and agreed by naming the City of Owosso as additional insured, coverage afforded is considered to be primary and any other insurance the City of Owosso may have in effect shall be considered secondary and/or excess.

Cancellation Notice

Workers' Compensation Insurance, Commercial General Liability Insurance, and Professional Liability insurance, as described above, shall include an endorsement stating that it is understood and agreed that Thirty (30) days Advance Written Notice of Cancellation, Ten (10) days for non-payment of premium, Non-Renewal, Reduction, and/or Material Change shall be sent to: City of Owosso, Risk Management Officer, 301 West Main Street, Owosso, Michigan 48867.

If any of the above coverages expire during the term of the contract, the contractor shall deliver renewal certificates and/or policies to the City of Owosso at least Ten (10) days prior to the expiration date.

Proof of Insurance Coverage

The contractor shall provide the City of Owosso, at the time of execution of the contracts, copies of certificates and policies as listed below:

- Certificate of Insurance for Workers' Compensation Insurance;
- Certificate of Insurance for Commercial General Liability Insurance;
- Certificate of Insurance for Vehicle Liability Insurance;
- Certificate of Insurance for Fiduciary Liability Insurance;
- Certificate of Insurance for Errors & Omissions Insurance;
- Certificate of Insurance for Directors & Officers Insurance;
- Certified Copies of all policies mentioned above.

V. CRITERIA

A. Minimum Qualifications - Firms

The firm must be able to cite at least three pension trust funds that they are currently managing with yields of 7.25% or greater. The current Investment Policy is attached as Exhibit A. In addition, the firm must have the following characteristics:

1. Allowed under authority of Michigan Public Acts and adopted administrative rules to engage in investment management in the State of Michigan.
2. No SEC, FINRA, CFTC, or NFA violations in the past ten (10) years.
3. A minimum of \$200 million in assets under management.
4. Have been in business for a minimum of ten (10) years; if the firm has not been in business for at least ten (10) years, the senior principals of the firm must have at least ten (10) years experience with institutional clients at an investment consulting firm.
5. Employ a professional team or department dedicated to investment manager research and analysis.
6. Currently have public pension plan investments totaling more than \$100 million.

B. Minimum Qualifications - Administrators, Advisors and Consultants

Proposers' staff and subcontractors must have individuals assigned to COERS who are registered with the State of Michigan as Investment Advisor Representatives and have a minimum of ten (10) years professional experience in the investment consulting field.

That experience must include three (3) years of work similar in scope to that outlined in the section Project Scope and Objectives of the RFP, with a public retirement system providing a defined benefit plan.

VI. TERMS AND CONDITIONS

- A. COERS makes no representations or warranties, expressed or implied, as to the accuracy or completeness of the information in the RFP and nothing contained herein is or shall be relied upon as a promise or representation, whether as to the past or the future. The RFP does not purport to contain all of the information that may be required to evaluate the RFP and any recipient hereof should conduct its own independent analysis of COERS and the data contained or referenced herein. COERS does not anticipate updating or otherwise revising the RFP. However, this RFP may be withdrawn, modified, or re-circulated at any time at the sole discretion of City of Owosso Employees Retirement System Board of Trustees.

- B.** COERS reserves the right, at its sole discretion and without giving reasons or notice, at any time and in any respect, to alter these procedures, to change and alter any and all criteria, to terminate discussions, to accept or reject any Response, in whole or in part, to negotiate modifications or revisions to a Response and to negotiate with any one or more respondents to the RFP.
- C.** COERS is not and will not be under any obligation to accept, review or consider any Response to the RFP, and is not and will not be under any obligation to accept the lowest offer submitted or any offer at all. COERS is not and will not be under any obligation to any recipient of, or any respondent to, the RFP except as expressly stated in any binding agreement ultimately entered into with one or more parties, either as part of this RFP process, or otherwise.
- D.** COERS will not be liable for any cost incurred in the preparation of a Response and will not reimburse any respondents for their submission. Expenses related to the production of a Response to this RFP are the sole responsibility of the Respondent.
- E.** Any Response submitted will become the property of COERS. COERS reserves the right to retain all Responses submitted, and to use any information contained in a Response except as otherwise prohibited by law. All Responses and the contents thereof will be deemed to be public record open to public inspection after the conclusion of the RFP process and award and execution of a contract, if any; provided that all proprietary information, "trade secret", if clearly marked as such, will not be disclosed except as required by law.
- F.** This RFP, including all RFP documents and any addenda, the Proposer's RFP response, including any amendments, a best and final offer, any clarification question responses, and any negotiations shall be included in the resulting contract.

These Terms and Conditions do not define the total extent of the contract language that may be negotiated. In the event of a dispute as to the duties and responsibilities of the parties under any resulting contract, the contract, along with any attachments prepared by COERS, will govern in the same order of precedence as listed in the contract.

- G.** The successful proposer (Service Provider) shall not begin performance of the project prior to the execution of a formal written contract between COERS and the Proposer. Any Service Provider beginning performance prior to the execution of the contract shall be deemed to be proceeding at the Provider's risk, and shall not be entitled to any compensation for such performance. In addition, COERS reserves the right to withdraw or cancel the award of the proposal.
- H.** The contract term is for an open-ended period with a 90-day termination clause.
- I.** The selected Service Provider will be the prime contractor, no work is to be subcontracted without the express written consent of the Board.
- J.** The selected Service Provider shall provide COERS with a copy of each of the insurance policies or binders indicating the existence of the policies prior to the beginning of the contract term to the following address:

City of Owosso Employees' Retirement System
C/O Amy K. Kirkland
301 West Main Street
Owosso, MI 48867

In the event a binder is delivered, it shall be replaced within ten (10) days by a certified copy of the policy. Each policy shall contain a valid provision or endorsement that the policy may not be canceled without giving thirty (30) days written notice thereof to COERS. A renewal policy

or certificate shall be delivered to COERS at least thirty (30) days prior to the expiration date of each expiring policy. If at any time, any of the policies shall be or become unsatisfactory to COERS as to form or substance, or any of the carriers issuing such policies shall be or become unsatisfactory to COERS, the Service Provider shall deliver to COERS upon demand a certified copy of any policy required herein for review.

- K. The Service Provider is required to supply COERS with proof of compliance with the Workers' Compensation Act while performing work for COERS. Neither the Service Provider nor its employees are employees of COERS or the City of Owosso. Proof of compliance must be received at the address listed in item J. within acceptable time limits established during the contract negotiation process.

If the Service Provider does not meet the State's requirement for workers compensation coverage, the certificate of insurance shall state that the provider waives subrogation in regard to workers compensation.

- L. The Service Provider must, in performance of work under this contract, fully comply with all applicable federal, state, or local laws, rules and regulations, including, but not limited to, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, and the Americans with Disabilities Act of 1990. Any subletting or subcontracting by the Service Provider subjects subcontractors to the same provision. The Service Provider agrees that the hiring of persons to perform the contract will be made on the basis of merit and qualifications and there will be no discrimination based upon race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin by the persons performing the contract.

- M. The State of Michigan has specific laws concerning investment management, pooled funds for governmental entities and pension funds. Among those laws are Michigan Public Acts, particularly, 13 of 1935, 345 of 1937, 314 of 1965, 2 of 1968, 121 of 1985, 551 of 2008, and 87 of 2009. Firms interested in submitting proposals should familiarize themselves with these laws and any others governing pension investments in Michigan.

- N. COERS may, by written notice to the Service Provider, terminate any resulting contract without cause. COERS must give notice of termination to the Service Provider at least 90 days prior to the effective date of termination.

VII. QUESTIONNAIRE

Responses to the following questions should repeat the question and be answered in order. When responding, the Board encourages you to describe the ways in which you believe your service capability is unique or distinctive. The Board appreciates the time and effort you will have expended in responding to this RFP.

A. Provider Background and Qualification Questions

1. Please provide the name(s), title(s), address(es), telephone and fax number(s) and email address(s) of the individual(s) responsible for responding to this request.
2. Under what legal authority are you allowed to provide Investment Management Services in the state of Michigan?
3. General background/overview information about you and your firm, number of years in business, location(s), and principal(s).
4. What segment of the investment market is your primary focus? Generally, who are your clients?

5. How many years has your company been active in the fund investment management market? (Indicate the period of time for each service, if different, such as public fund investment management for X years, private fund investments Y years).
6. Indicate the total value of assets for which you provide services and total number of participant accounts. What is the largest? What is the minimum?
7. What is the average asset size, in dollars, per client?
8. What portion of the portfolio are public pension investments? Who is your largest public employer? What is the largest municipality? What percentage of your portfolio are public sector investments?
9. How many of employees are dedicated to active investment management on a daily basis? How many staff members provide fund administration services, performing trade execution and monitoring? What is the frequency of this monitoring? Where are they located?
10. What is the total number of employees and a list, including names and titles (if known), of those that would be dedicated to our account(s) showing names and professional designations or other credentialing and brief professional biographies. Include an organization chart, brief synopsis and/or curriculum vitae.
11. How many accounts does the Account Manager, the individual with the primary responsibility for day to day client contact, have? What is the number of municipal accounts managed by this person?
12. How many accounts does the Relationship Manager, the individual with strategic responsibility, for the account have? What are the total assets and number of clients managed by this person?
13. Disclose all conflicts of interest, all sources of revenue and all affiliations and related parties, especially, but not limited to, investment managers recommended by the firm. Do you have a formal Conflict of Interest Policy?
14. Has your company been involved in any litigation or arbitration settlements surrounding your services over the past five years? If yes, please describe or provide an affirmative statement that there are none.
15. Has your firm entered into settlement agreements to avoid litigation during the past five years? If yes, please describe or provide an affirmative statement that there are none.
16. List and describe any current or pending regulatory/administrative, complaints, or similar legal actions against you or your firm or provide an affirmative statement that there are none.
17. Number of clients from 2010-14 that are:
 - a. New clients during this time period; or
 - b. Resigned during this period
18. A description of any trust/custody/recordkeeping, system conversions or other major changes planned (affecting >33% of aggregated business holdings/clients) in the next 12 months known to Proposer or subcontracted vendors, or provide an affirmative statement that there are none.
19. Would your firm be willing to accept co-fiduciary responsibility for our account?
20. Would your firm be willing to have a performance bond or surety to guarantee negotiated levels of performance to reduce taxpayer risk?
21. A full and complete description of the process(es) by which you address requests for support, e.g., telephone-based response, web portal, and a description of what individual(s) at your firm will be available and the hours (EST) of these services.

22. A full and complete description of the services Proposer will and will not provide for each of the items listed under "Project Scope/Specifications".
23. A description of financial statements and reports. Can they be customized? Include samples and specify whether portfolio rates of return are included with quarterly, annual, 2, 3, 5 and 10 year returns.
24. A description of all the types of documents you provide and support (e.g.: standardized and non-standard investments reports) and a list of custodians for each of these products.
25. Is your investment performance CFA Institute - GIPS verified? If so, please describe and include related reports as part of your submission package. Do you use another performance certification process? If so, what is it? Is it proprietary? If so, describe.
26. Provide a copy of your latest SAS 70 Audit or SSAE#16 Service Organization Report or a statement that you do not have one.
27. Please provide references for three municipal pension trust funds, including organization name, contact; phone number and email, number of years as consultant, and assets under management. (These references may be contacted to verify the Firm's ability to perform the services requested. The Board reserves the right to use any information or additional references deemed necessary to establish the ability of the Firm to perform the conditions of this request.)
28. Please provide a current client list with assets in excess of \$25 million. Please provide organization name, contact; phone number and email, number of years as consultant, and assets under management for two of said clients. (These references may be contacted to verify the Firm's ability to perform the services requested. The Board reserves the right to use any information or additional references deemed necessary to establish the ability of the Firm to perform the conditions of this request.)

B. Investment Management

1. Discuss your organization's ability to provide investment vehicles for institutional investors.
2. Please disclose if you are providing these vehicles in-house or through external managers. If external, please list the number of funds/managers available.
3. What are your minimum asset allocation requirements (minimum investment required)?
4. Please provide a reference table with the expense ratios/charges for recommended funds. Include the benchmarked index for investment performance.
5. If available, please provide the pricing structure and detailed information on self-directed brokerage accounts.
6. Is your stable value investment subject to a 12-month put or market value adjustment? If so, please provide a detailed explanation.
7. Is an Active Managed Account option available? If yes, generally what fees apply?
8. Do you provide the ability to construct a model investment portfolio? If so, is there a fee for this? What format does this model portfolio take? Is it client or advisor driven?
9. Please describe the process that the Board would follow to initiate changes in investments or strategies. On average how long does the process take? Describe the portfolio rebalancing process from the firm's perspective. Include key elements necessary to perform this task.
10. What measures do you take to assure continuity of service if staff leaves? Principals or D&O departures?

C. Technology: Software, Hardware & Security

1. Please describe the Firm's disaster recovery plan as it relates to equipment, software, data and personnel in relation to providing services to the Plan.
2. Please detail the firm's policies, procedures, data encryption and technical measures to prevent unauthorized access or alteration, fraud, theft, misuse, or physical damage to hardware, software, communications networks and data.
3. Please provide the Firm's privacy policy with regard to sharing client or benefit information with an affiliated company and/or third party.

D. Custodial Services

1. Does your firm provide custodial services? If so, please provide details.
2. Describe any tax reclaim policy and procedures. How do you notify clients of any foreign tax reclaim or changes in tax laws? How frequently are reclaims performed? Does the firm sign tax forms as the tax preparer? Is a power of attorney required? Is there a fee?
3. Please provide an example and description of holdings information that will be provided on behalf of the retirement system for security litigation "proof of claim" purposes. Does your firm complete "proof of claim" documents on behalf of the retirement system? Is there a fee for this service?
4. If your firm does not provide custodial services please describe your process for custodial searches.

E. Regulatory/Compliance Services

For sections V and VI, please provide responses to these questions even though some items may not be currently applicable to governmental plans.

1. Are you or your firm registered investment advisors? If so, which program(s) are you registered with? Please provide a list of registrations and most recent filing statements or certificates.
2. How does your firm monitor compliance with state laws restricting the proportion of investments? Is this an internal control/audit function or is this the responsibility of the client?
3. Please provide a statement and supporting documents that indicate the Proposer's ability to perform the requested services in the state of Michigan for public funds.
4. What regulatory filing documents do you provide and support? Is there an additional charge for providing these documents? If yes, please include this information under item J. Fees/Cost Proposal.
5. Is your company a member of MAPERS? What other affiliations does your company maintain to keep apprised of unique issues and developments affecting public employee retirement systems?
6. What resources do you have to obtain legal opinions, interpretation of laws, regulations, plan design and compliance, etc. on issues pertaining to defined benefit plan investments?
7. What assistance will you provide with the plan audit and actuarial reports?

F. Support of Third Party Actuarial Services

1. Describe your firm's approach to the role of actuary.
2. What is your support in the development of comprehensive annual actuarial valuation reports?
3. What is the turnaround time for processing requests from the actuaries?
4. Are there any additional fees for any of the preceding services? If yes, please include this information under item I. Fees/Cost Proposal.

G. Conversion/Transfer Process

1. Please describe the team (including account manager, conversion manager, consulting representative and legal representative) that would deal directly with us to coordinate this project. Please provide background information regarding these individuals (curricula vitae or biographies) and an organizational chart of your proposed team, (i.e.: Who are they? What do they do?)
2. Describe your implementation process, including detailed time frames and responsibilities. Please provide a recommended implementation/conversion/transfer schedule.
3. What involvement is required from the System during the process?
4. What steps will be taken to ensure no interruption of liquidity, investment performance decline, excessive fees or losses?
5. Would you consider working with all of the System's current money managers? Do you have working relationships with any of the System's current money managers?

H. Agreements

Please provide copies of any agreements to be signed if we select your firm. (Electronic format is preferable.)

I. Fee/Cost Proposal

1. Provide the annual fee for services proposed by your firm, in basis points and hard dollars, based on assets of \$35 million? Specify each service included in your fee proposal.
2. Provide your standard fee schedule for \$35 million in assets.
3. List any other services not included in your fee proposal that may incur additional fees.
4. Provide a full and complete description of any fees, commissions, revenue-sharing arrangements, commission recapture, or similar arrangements that are received by you, your employees, or firm from any related/affiliated entity associated with the servicing of investments, but received from third party sources. Do you give clients credit against your consulting, fees, when you derive other income from this relationship?
5. What are the factors you consider in determining future increases (or decreases) and when they are to occur?

Information regarding Custodial Fees is not necessary as this issue will be addressed by a separate RFP.

VIII. SIGNATURE PAGE AND LEGAL STATUS

A. Representations and Warranties

1. Respondent warrants that it will not delegate its fiduciary responsibilities.
2. Respondent warrants that it has completed, obtained, and performed all registrations, filings, approvals, authorizations, consents or examinations required by a local government or governmental authorities.
3. Respondent warrants that it meets all of the minimum qualifications applicable to the firm and its administrators, advisors, and consultants under Section V. CRITERIA of this RFP.
4. Respondent warrants that it has not paid and will not pay, has not given and will not give, any remuneration or thing of value directly or indirectly to COERS or any of its board members, officers, employees, or agents, or any third party except as disclosed to COERS with its response to this RFP or otherwise, including, but not limited to, a finder's fee, cash solicitation fee, or a fee for consulting, lobbying or otherwise.
5. Respondent warrants that it has established ethics and conflicts of interest policies and procedures, and proper internal compliance controls are in place.

B. Legal status of bidder

Please check the appropriate box and **USE CORRECT LEGAL NAME.**

- I. Corporation State of Incorporation _____
- II. Partnership List of names _____

- III. DBA State full name _____ DBA

- IV. Other Explain _____

On behalf of _____, I hereby submit this proposal for your consideration. The undersigned acknowledges that this proposal is subject to the Terms and Conditions included in the contract documents. In submitting this proposal, it is understood that the right is reserved by the Board to reject any and all proposals, and waive any irregularities in the bidding process. The Board may award this contract based on any combination of the total bid and/or alternates.

Dated and signed at _____ State of _____

This _____ day of _____, 20_____.

Signature

Title

Witness:

By/s/

Business Name

Business Address

Telephone Number

IX. RIGHT TO INVESTIGATE ACKNOWLEDGEMENT, WAIVER AND RELEASE

RESPONDENT AGREES TO SUPPLY AND CERTIFIES TO THE FOLLOWING:

The Board may make such investigations as deemed necessary to determine the ability of the Firm to provide the supplies and/or perform the services specified and agrees to sign any releases required to discuss services with clients (current or past), employees, former employees, regulators or parties involved in formal complaints to public entities.

All references provided in this proposal may be contacted to verify the Firm's ability to perform the services requested. The Board reserves the right to use any information or additional references deemed necessary to establish the ability of the Firm to perform the conditions of this request.

In compliance with the aforementioned specification, the undersigned offers and agrees that if this proposal is to be recommended to the Board, within no less than one hundred twenty (120) days of the date of proposal opening, that the undersigned will agree to allow the City of Owosso, or their representatives, to perform due diligence investigations according to the terms outlined in this RFP, to waive rights to any future claims and release the City/COERS of any liabilities that may occur from such investigations.

Company Name

Tax Identification Number

Company Address

Authorized Signature

Date

Name & Title of Authorized Signatory

Contact Phone Number

Contact Email Address

Attach a notarized Resolution of Authority confirming the language above, if anything other than a sole proprietorship entity.