

REQUEST FOR PROPOSAL (RFP)
FDIC-INSURED 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: **November 1, 2017**

TITLE: **FDIC-INSURED SAVINGS ACCOUNT FOR CITY OF LOS ANGELES DEFERRED COMPENSATION PLAN**

CONTRACT TERM: **Five (5) years**

MANDATORY 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
Attention: Daniel Powell
City Hall
200 North Spring Street, Room 867
Los Angeles, CA 90012

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

DEADLINE FOR OUTREACH TO SUBCONTRACTORS (pursuant to the City's Business Inclusion Program outreach requirements): _____ by _____ - _____ PST

RFP ADMINISTRATOR:

Daniel Powell
Phone (213) 978-1586
Email: daniel.powell@lacity.org

PART A

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SECTION 1

INTRODUCTION/BACKGROUND

1.0 INTRODUCTION

The City of Los Angeles Deferred Compensation Plan (“the Plan”) is seeking investment management services for its FDIC-Insured Bank Deposit Savings Account. 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.

1.1 BACKGROUND

The Board of Deferred Compensation Administration (“the Board”) administers the City of Los Angeles Deferred Compensation Plan (DCP). 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 Personnel Department General Manager. The Board has administrative responsibility, including contract authority, for the Deferred Compensation Plan.

As of _____, 2017, the Plan had \$_____in assets and _____ participants. More detailed information regarding the Plan and its investment options is included in the Plan’s quarterly investment review for the period ending June 30, 2017, located 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 Plan's contracted service providers
- Administer all Plan-related contracts; and
- Facilitate all aspects of employee participation in the Plan

The Office of the City Attorney serves as the Board’s legal counsel and provides legal support for the Plan which includes reviewing procurements and contracts, ensuring compliance with State and federal laws, and providing guidance in regards to various administrative functions such as processing beneficiary claims and Qualified Domestic Relations Orders (QDROs).

The City contracts with Voya Institutional Plan Services (“VIPS”) for Plan recordkeeping, enrollment and communication services. The City independently selects the investment

options for the Plan, all of which are administered by VIPS. These options are held as mutual funds, separate accounts, commingled trusts, and bank deposit accounts. The Plan is trusted by Voya Institutional Trust Company.

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

1.2 DEFINITIONS OF TERMS

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

“The Board” means the City of Los Angeles Board of Deferred Compensation Administration.

“The City” means the City of Los Angeles.

“RFP Administrator” means the City staff person serving as the primary point of contact for this RFP as identified on page 1 of this RFP.

“Contract Effective Date” means the date, mutually agreed upon between the Contractor and City, that the Contractor begins performing services for the City.

“Contracting Authority” means the City of Los Angeles Board of Deferred Compensation Administration.

“Contractor” means the individual, partnership, corporation or other entity to which a contract is awarded, and shall be synonymous with the term “Vendor.”

“DCP” means the City of Los Angeles Deferred Compensation Plan, established pursuant to Section 457 of the Internal Revenue Code (“IRC”).

“Employee Benefits” means the Employee Benefits Division of the City of Los Angeles Personnel Department.

“Investment Policy Statement” means the Investment Policy Statement adopted by the Board of Deferred Compensation Administration for the City of Los Angeles Deferred Compensation Plan to define the objectives and guidelines for the Plan’s investment options.

“Plan” means the City of Los Angeles Deferred Compensation Plan, established pursuant to Section 457 of the Internal Revenue Code (“IRC”).

“Proposer” means a respondent to this RFP.

“RFP” means this Request for Proposal.

1.3 CONTRACT TERM

The term of any contract(s) awarded pursuant to this RFP shall be for a period of five years from the contract effective date as provided for by the final contract, subject to the termination provisions therein. The City may, in its sole discretion, seek an extension of the term beyond the initial five-year term.

1.4 RFP CONTENTS

The contents of this RFP are as follows:

PART A – Request for Proposal, including the Plan Profile & Scope of Service, Proposal Questionnaire, Submission Requirements, Evaluation of Proposals, and General Terms and Conditions.

PART B – General Contracting Requirements and Attachments, which includes the City of Los Angeles Standard Provisions for City Contracts (rev. 01/17) and other general contracting requirements that must be reviewed and completed by proposers as specified in order for a proposal to be deemed responsive.

1.5 RFP CONTACT INFORMATION

The Board and Personnel Department 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 Plan, or otherwise realize financial gain from the 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 be directed to the RFP Administrator as follows:

- *Personnel Department, Employee Benefits Division*
Daniel Powell
daniel.powell@lacity.org
(213) 978-____

PART B Contact Information

All questions regarding this RFP PART B must be in writing. Questions may be directed to the Personnel Department's Administrative Services Division staff as follows:

- *Personnel Department, Administrative Services Division*

[@lacity.org](mailto:____@lacity.org)
(213) 473-_____

Questions regarding the certain General Contracting Requirements may also more appropriately be directed to the City department responsible for the particular requirement, as specified within the Part B materials.

1.6 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. Written proposals submitted to the City 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.

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.

Proposal Timeline 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 1:00 p.m. Pacific Standard Time
_____	General Contracting Requirements Preliminary Submission Deadline
_____	City Review of General Contracting Document Due to Vendor by This Date
_____	Deadline for vendors to issue written solicitations to subcontractors via www.labavn.org website. This step must be completed by 11:59 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 by 4:30 p.m. Pacific Standard Time
_____	RFP evaluations
_____	City makes selection and begins contract negotiation with successful proposer
_____	Deadline for executing contract
_____	Commencement of Services

Pre-Proposal Conference

A mandatory 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 pursuant to the schedule noted in the Proposal Timeline. Potential proposers 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 the RFP Administrator by the deadline noted in the Proposal Timeline. 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.

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 in accordance with the deadline noted in the Proposal Timeline. This will enable the City to prepare responses in advance.

All questions concerning the RFP should be submitted in writing via e-mail to the RFP Administrator. 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, certain responses may be deferred and posted online as addenda to the RFP at a later date.

The City will make every effort to respond to all written questions as soon as practical. All questions and 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.

1.7 GENERAL CONTRACTING REQUIREMENTS PRE-SUBMISSION OPTION AND SUBMISSION DEADLINES

The City's General Contracting Requirements are included in Part B, which is attached hereto. Part B contains the Standard Provisions for City 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 Part B is a list of requirements that must be fully met, including forms to be completed and submitted and details regarding certain processes which must be followed by prospective vendors as part of their RFP response. Failure to meet any of these requirements to the satisfaction of the City by the RFP Proposal Submission 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. 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. If a vendor utilizes this 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 Submission Deadline. **Following the Proposal Submission 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 a rejection by the vendor of those requirements or the Standard Provisions for City Contracts, will result in disqualification of the proposal.

The relevant dates with respect to this process are included in the Proposal Timeline.

1.8 PROPOSAL SUBMISSION DEADLINE

Response to this RFP must be submitted on paper and electronic copy must be received by the RFP Administrator by the deadline noted in the Proposal Timeline. Electronic portions, as specified further in this RFP, must be received no later than this date/time as well. Late responses will not be considered. The City reserves the right to extend the Proposal Submission Deadline should this be in the interest of the City.

1.9 CONSULTANT RESPONSE INFORMATION

Responses to this RFP must also be submitted on paper and electronic copy to the consultant used by the City in the evaluation of responses to this RFP. Delivery should be provided by the proposal submission deadline to:

Mercer Investment Consulting

Attention: Devon Muir

SECTION 2

PLAN PROFILE AND SCOPE OF SERVICES

A. PLAN OVERVIEW & MISSION STATEMENT

The City of Los Angeles Deferred Compensation Plan is a tax-advantaged supplemental retirement savings program established in 1983 under Internal Revenue Code (IRC) Section 457 and by City of Los Angeles Administrative Code, Division 4, Chapter 14. All Plan assets are held in trust for the exclusive benefit of participants and their beneficiaries. **The mission of the City's Plan is to assist all City employees in achieving retirement income security.**

B. PLAN GOVERNANCE & ADMINISTRATION

As described more fully in the Background Section of this RFP, the Board of Deferred Compensation Administration ("the Board") administers the City's Plan and has administrative responsibility, including contract authority, for the Plan. The Board is supported by City staff who are employees of the Personnel Department's Employee Benefits Division. City staff oversee the execution of Plan rules and City policies pursuant to adopted governance documents and direction of the Board; oversee the daily operation of the Plan; develop policy recommendations and conduct research on behalf of the Board; coordinate administrative matters related to Plan budget, communications, and contracting; and conduct monthly Board meetings.

Plan legal counsel is provided by the City Attorney's Office. The City Attorney assists the Board and Plan staff with procurement and contract development, the conduct of public meetings, facilitation of tax and compliance-related research, and the disposition of beneficiary claims and account separations due to dissolution of marriage.

C. CITY OF LOS ANGELES RETIREMENT SAVINGS STRUCTURE

The City of Los Angeles offers three defined benefit retirement/pension plans for its regular full-time and half-time employees, one supplemental savings plan that is available to all members of the defined benefit plans, and one plan for the City's part-time, temporary and seasonal employees. These include the following:

Retirement Plan	Type	Active Members	Retired Members	Assets (in billions)
Los Angeles City Employees' Retirement System	Defined Benefit	_____	_____	_____
Los Angeles Fire and Police Pensions	Defined Benefit	_____	_____	_____

Water and Power Employees' Retirement Plan	Defined Benefit			
City of Los Angeles Deferred Compensation Plan	Defined Contribution			
City of Los Angeles Pension Savings Plan (part-time)	Defined Contribution			

City employees do not participate in Social Security and are mandatory members of either one of the three defined benefit systems above or the Pension Savings Plan. As a result, for most of the workforce (particularly those who spend most or the bulk of their careers in City employment), their retirement income will be driven primarily by a combination of their defined benefit and defined contribution plan income.

D. DEFERRED COMPENSATION PLAN: SUMMARY OF CORE SERVICES AND FEATURES

The Deferred Compensation Plan currently offers the following core features and services to its participants:

Communications

- ⇒ Core mission and retirement security objective
- ⇒ Retirement Income Projection Calculator (customized to the Plan)
- ⇒ Enrollment/marketing/education materials (including quarterly newsletter)
- ⇒ Website
- ⇒ Call Center

Investments

- ⇒ Plan-Branded Unitized Asset Class Funds
- ⇒ Custom Risk-Based Asset Allocation Funds
- ⇒ Capital Preservation Options (Stable Value Fund and FDIC Insured Savings Account)
- ⇒ Self-Directed Brokerage Window

Contributions

- ⇒ Pre-Tax & After-Tax (Roth) Savings
- ⇒ Special Catch-Up Contributions
- ⇒ Rollover administration (defined contribution, IRA & other pre-tax dollars)
- ⇒ Post-severance contributions of accrued leave
- ⇒ Pre-Tax to Roth Conversions
- ⇒ Auto enrollment (to be implemented)

Distributions

- ⇒ Active Participant Loans
- ⇒ Terminated/Retired Participant Loans
- ⇒ Full, Partial, and Periodic Payment (by term or amount) Distributions
- ⇒ Purchase of Service Credit
- ⇒ Hardship Withdrawals

- ⇒ De Minimis Withdrawals
- ⇒ Beneficiary Claim or Dissolution of Marriage Account Administration

Counseling & Education

- ⇒ Local service center and counselors
- ⇒ Individual and group meetings/education

E. CORE MISSION AND RETIREMENT SECURITY OBJECTIVE

The mission of the City's Plan is to assist all City employees in achieving retirement income security. The City's Plan defines retirement income security as 100% replacement of "lifestyle income" upon retirement. Lifestyle income means an employee's gross annual salary less primary defined benefit, defined contribution, and Medicare salary reductions. It is the City's objective to align all of its Plan services and features, goals and objectives, and evaluation of participant outcomes, around achieving ever higher levels of success in meeting the core retirement security objective.

F. PLAN SPONSOR SERVICES

(1) Organizational Background, Financial Strength, Experience

The City will be evaluating each proposer's organizational experience, stability, financial strength, experience in providing services to governmental defined contribution plans, staff qualifications and turnover, and other factors to determine which organization can be a long-term viable partner with the City in executing the Plan's mission, goals and strategies, and the specific services included within this RFP.

(2) Regulatory and Contractual Actions

The City will review each proposer's status as to regulatory agency complaints, client legal actions, contract terminations, bankruptcy filings, and conflicts of interest, as part of assessing its reliability and institutional viability.

(3) References

The City will be evaluating references provided by each proposer, including governmental plan sponsors who are currently utilizing the provider's services as well as those who have terminated those services in the recent past.

(4) Product Qualifications

The City is seeking FDIC-insured savings accounts that will provide interest income and liquidity while preserving principal. The savings option should be liquid; deposits and withdrawals must be allowable at any time without penalty or restriction. The interest rate should be stated at the beginning of each calendar quarter and remain 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.

A. Product Qualifications for Financial Institutions:

- 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.
- The institution must not have been involved in any litigation with 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.
- The institution must not be a broker or any third party selling another company's funds.
- The institution must not charge a redemption fee, transfer fee, deferred sales charge, or up-front sales load. 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.
- All fees and expenses must be netted out of the credited rate.
- The institution must have experience with and be willing to accommodate daily valuation.
- The institution's total assets must equal or exceed \$20 billion.
- The institution's total deposits must equal or exceed \$10 billion.
- Each individual account must be insured through the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Association (NCUA).
- 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].
- The institution must meet the capital requirements as mandated by FDIC or NCUA for "well capitalized".
- The institution must have an "investment grade" rating from at least two nationally recognized statistical rating agencies.
- The proposed interest rate or reference rate must be indexed to a publicly available rate or benchmark.
- The institution must have sufficient deposit capacity to accept the proportionate number of deferrals into this option for the term of the contract.
- The institution must place no restrictions or fees on the Plan or participant's ability to withdraw.

B. Required Operational and Accounting Activities:

- The institution must be able to provide daily values to the City's TPA for purposes of recordkeeping and participant servicing in line with the TPA's daily reporting deadline.
- The institution must provide the TPA with wire instructions to be used to make daily deposits and withdrawals. It is anticipated that the TPA 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.
- The institution must wire all redeemed amounts requested by the TPA on same day if instructions are received by your institution by 8:30 a.m. Eastern Standard Time.
- 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.
- The institution must provide written daily trade confirmation to the TPA.
- The institution must provide daily written confirmation and identification of transactions and a monthly statement of activity to the TPA.
- If participants are disadvantaged by a processing or pricing error committed by the institution, the institution must make the participants "whole" by crediting the participant's account with any lost interest.
- 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 the City of Los Angeles, the Attorney General, the State Controller, and the California 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.
- Each institution must make available to City of Los Angeles information and materials necessary to inform participants of the product.

C. Required Activities for Service Provider

- On a quarterly basis, 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 under the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Association (NCUA) regulations.
- 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.

- 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.

G. FEES & PERFORMANCE GUARANTEES

(1) Compensation

The City will assess information provided by proposers relative to the earnings and compensation structure of their proposed savings products.

(2) Performance Guarantees

The City will be considering the proposer's proposed performance guarantees, with a focus on those that are meaningful, measurable and relate to the Plan's core mission and service objectives that have been identified in this RFP.

SECTION 3

PROPOSAL QUESTIONNAIRE

QUESTIONNAIRE INTRODUCTION AND INSTRUCTIONS

i. Introduction

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 proposers will be evaluated. The City is not evaluating firms utilizing any information other than what is outlined within this RFP. Responses to this section along with documents required to be submitted pursuant to Part B of this RFP are necessary for the proposal to be considered responsive.

ii. Instructions

- Do not alter the questions or question numbering.
- Complete all appropriate sections of the questionnaire.
- To obtain an electronic version of the questionnaire, please contact the RFP Administrator.
- Provide an answer to each question even if the answer is “not applicable” or “unknown.”
- Answer the question as directly as possible.
 - If the questions asks, “How many...” provide a number
 - If the question asks, “Do you...” indicate Yes or No followed by any additional brief narrative explanation to clarify.
- **Be concise in your response.** Use bullet points as appropriate.
- Referring the reader to attachments for further information should be avoided or used on a limited basis. Any response that does not directly address the question, but only contains marketing information, will be considered non-responsive.

A. INTRODUCTORY QUESTIONS

Responses to the following are required in order for your proposal to be considered responsive but will not be rated.

1. **Cover Letter and Proposal Declaration** - Provide a cover letter and Proposal Declaration to include the following:

- Title “**City of Los Angeles FDIC-Insured Savings Account RFP**” and submission date
- Contact name of person authorized to bind the proposer to the proposal
- Contact Name/Title:
- Mailing Address:
- Location of Business (if different from mailing address):
- Type of legal entity (corporation, limited liability company, joint venture, partnership, etc.)
- A short description of your organization, the businesses in which it engages and the services it provides.
- Telephone Numbers (Office, Cell, and 24-hour lines):
- Fax Number:
- E-mail Address:
- Date entity was established and location of entity when established
- Location of headquarters (full address) and, if your firm has more than one office location, which of your firm’s offices will service this account.
- Annual revenues
- Total number of employees
- Total number of employees in the City of Los Angeles
- Total number of employees in the County of Los Angeles
- Number of employees reported in whose exclusive, primary work location is in the County of Los Angeles
- Number of employees providing services for this contract
- 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; 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.”

- A signature submitted on behalf of the proposer by an officer authorized to bind the proposer to the proposal, acknowledging:
 - i. Receipt of and agreeing the submitted Proposal is based on the RFP and any identified addenda.
 - ii. Failure to indicate receipt of addenda may result in the proposal being rejected as non-responsive.
 - iii. To constitute a responsive proposal all pages of the proposal questionnaire and required forms must be submitted.
 - iv. Under penalty of perjury under the laws of the State of California that the proposal is true and correct and the proposer agrees to the terms and conditions in the proposal.
2. **City Business License Number or Vendor Registration Number** - Indicate your City Business License Number or Vendor Registration Number if available. A license or registration number is not required for your proposal but will 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. **State of California Board of Equalization Permit** - Indicate 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. **California Revenue and Taxation Code** - Fill out and submit the appropriate California Revenue and Taxation Code form, if applicable (for out of state vendors).
 5. **Compliance with Standard Provisions** - Provide a statement indicating that your firm will comply with the City of Los Angeles General Contracting Provisions attached to this RFP in Part B, including the Standard Provisions for City Contracts (Rev. 6/14). Please note that your statement does not relieve you from providing all of the documents required pursuant to the "Proposal Response Checklist."
 6. **Insurance** - The City is estimating that the following insurance coverage types will apply to this contract:
 - General Liability: \$_____
 - Professional Liability: \$_____

Please verify that you will be able to meet the required coverage levels and that you will submit proof of such pursuant to Part B, "General Contracting Requirements - Insurance Requirements," as a condition of execution of any final contract (see Part B, "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>

7. **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.
8. **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.
9. **Subcontracting** - 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. Business Telephone Number
 - ix. Subcontractor's registration # and/or license #, if applicable
 - x. Description of Work to be Subcontracted
 - xi. Reason for Subcontracting
 - xii. Percent of Total Contract to be Subcontracted & Dollar Amount
 - xiii. Relevant work experience in years and level of responsibility
 - xiv. Experience in number of years that your firm has worked with the Subcontractor providing these services
 - xv. If subcontractor is a MBE, WBE, LBE, SBE, EBE, or OBE
 - xvi. If subcontractors will not be utilized, so indicate here.

QUALIFICATIONS

The following questions below will be rated.

#	Question	Response
Organizational Background, Financial Strength, Experience		
1	Please provide an overview of your organization and organizational structure, to include the name of your parent company (if you have one), the nature of its business, the name of your company, the length of time your firm has been providing the broad range of services included within this procurement, headquarters, number of clients and participants, and geographic service area.	
2	Please provide your organization's revenues and net profits for the last 3 calendar years.	
3	Is your company a subsidiary or affiliate of another company? If yes, describe the nature of the business of the parent firm. Provide full disclosure of all direct or indirect ownership. Indicate what percentage of the total company revenues your company represents for each of the last 3 calendar years.	
4	What is the last date when your organization had a change in its business structure, whether through an acquisition or divestiture or through an alliance arrangement? If applicable, how did this change in business affect the recordkeeping business?	
5	Describe any change in senior management (including CEO, CFO, CIO, or other executive management) in the last five years. Indicate the average tenure (in years) of senior management.	
6	Please provide a summary of your organization's strategic plan, including how you control/manage growth of your business.	
7	What percentage of services solicited in this RFP would be outsourced to other firms or sub-contracted? For services representing more than 5% of the total fee proposed for this RFP, identify all providers and their functions.	
8	What percentage of your services solicited in this RFP would be outsourced or subcontracted overseas to non-U.S. service providers? Identify all overseas providers and their functions.	
9	Provide the number of clients to whom 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?	
13	How often would they be available for meetings with City of Los Angeles?	
14	What do you believe distinguishes your firm's client service program?	
15	How often could the portfolio manager, chief investment officer and/or firm president, etc., be available for meetings with the City of Los Angeles?	

16	How many proposals have you submitted in the last 3 years in response to public sector 457 plan service provider RFP's? How many of these resulted in your selection to provide services?	
Regulatory and Contractual Actions		
17	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.	
18	Disclose the extent to which your business has been sued, or had other legal action initiated by clients, within the last five years.	
19	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.	
20	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. If your firm has experienced no termination for default in the past five years, so indicate.	
21	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.	
22	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 the City's current or prospective service providers, governing authorities, advisors, or other interested parties.	
References		
	The City will be contacting the references to be provided.	
23	For your three largest public sector defined contribution plan clients, please provide:	
	Client name:	
	Contact name:	
	Address:	
	E-mail address:	
	Phone number:	
	Short description of services provided:	
	Year they became a client:	
24	For your three former public sector defined contribution plan clients that have most recently discontinued services, please provide:	

	Client name:	
	Contact name:	
	Address:	
	E-mail address:	
	Phone number:	
	Short description of services provided:	
	Year they became a client:	
	Year they discontinued services:	
25	For the three public sector defined contribution plan clients that most recently retained your services, please provide:	
	Client name:	
	Contact name:	
	Address:	
	E-mail address:	
	Phone number:	
	Short description of services provided:	
	Year they became a client:	
Financial Strength		
26	Please indicate the total value of assets with your institution.	
27	Please indicate total deposits with your institution.	
28	Please indicate total equity holdings of your institution.	
29	Please provide your short-term credit ratings from Fitch/Moody's and S&P	
30	Please provide your long-term deposit credit ratings from Fitch/Moody's and S&P.	
31	Please provide your total risk-based capital ratio.	
32	Please provide your tier I capital ratio.	
33	Please provide your leverage ratio.	
FDIC-Insured Product Characteristics		
34	Please indicate the vehicle type	
35	By checking each box, verify that you will provide the following. If there are exceptions, do not check the box and explain the deviations.	
	Institution is qualified to do business in the State of California and registered under the appropriate State and federal securities, insurance and banking laws; and the proposed funds or investment products is qualified to accept 457 plan investments.	
	Institution has not been involved in any litigation with or investigation by a federal or State security/insurance agency that includes expropriation of funds, insider trading, front running, or undisclosed derivatives or leverage.	
	Institution is not a broker or any third party selling another company's funds.	

	Institution will not charge a redemption fee, transfer fee, deferred sales charge, or up-front sales load, or is willing to waive such fees or charges and refund them to the City. In addition, 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.	
	All fees and expenses are netted out of the credited rate.	
	Institution has experience with and is willing to accommodate daily valuation.	
	The institution's total assets equal or exceed \$20 billion.	
	The institution's total deposits equal or exceed \$10 billion.	
	Each individual account is insured through the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Association (NCUA).	
	Account balances in excess of FDIC or NCUA insurance are collateralized pursuant to the Local Agency Security Program (LASP) [California Government Code Section 16610-16622, 16520-16533, and 53635-53652].	
	The institution meets the capital requirements as mandated by FDIC or NCUA for "well capitalized".	
	The institution has an "investment grade" rating from at least two nationally recognized statistical rating agencies.	
	The proposed interest rate or rates are indexed to a publicly available rate or benchmark.	
	The institution has sufficient deposit capacity to accept the proportionate number of deferrals into this option for the term of the contract.	
	The institution places no restrictions or fees on the Plan or participant's ability to withdraw.	
36	Please indicate your proposed interest rate structure.	
37	Describe the interest crediting method including reference rate and any adjustment that would be employed.	
38	Please provide simulated quarterly returns that would have been credited for the last 40 quarters (or as long as available) ending September 30, 2017.	
39	Will the interest crediting rate change as the amount of Plan assets held in the account grows?	
40	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.	
41	List any fees associated with your product. Do you offer a tiered fee schedule? Describe.	
42	Indicate whether your institution would be willing to hold a limit of 33.3% of the value of this Plan investment.	
43	Indicate whether your institution would be willing to hold up to 50% of the value of this Plan investment.	
44	Indicate whether your institution would be willing to hold up to 100% of the value of this Plan investment.	

45	Are employee benefit plan deposits with your institution eligible for "pass-through" insurance coverage?	
Recordkeeping Interface		
46	By checking each box, verify that you will provide the following. If there are exceptions, do not check the box and explain the deviations.	
	Institution is able to provide daily values to the City's TPA for purposes of recordkeeping and participant servicing in line with the TPA's daily reporting deadline.	
	Institution will provide the TPA with wire instructions to be used to make daily deposits and withdrawals. It is anticipated that the TPA 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.	
	The institution will wire all redeemed amounts requested by the TPA on same day if instructions are received by your institution by 8:30 a.m. Eastern Standard Time.	
	The institution will post incoming deposits promptly and accurately with same day crediting, if instructions are received by your institution 8:30 a.m. Eastern Standard Time.	
	The institution will provide written daily trade confirmation to the TPA.	
	The institution will provide daily written confirmation and identification of transactions and a monthly statement of activity to the TPA.	
47	Please fully describe your recordkeeping interface requirements and any conditions you would place on the Plan or the TPA as part of providing services to the City.	
48	Please indicate whether you are willing to execute an operational agreement with the Plan's TPA which does not require the City's participation in or approval of the executed agreement.	
49	Provide a sample of the wire instructions for incoming purchases or redemptions that your firm will expect the TPA to use.	
50	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.	
51	Describe how your firm will give daily values to the TPA including time restrictions for same day crediting. Describe your ability to deliver information to the TPA. Include cutoff times, timing flexibility, and time restrictions. Describe the aspects of your process that distinguishes your firm from your competitors.	
52	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.	
53	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 TPA and City of Los Angeles, as applicable?	

54	If applicable, describe how your firm will provide advance information to the TPA on the dates of income distributions.	
55	Detail how your firm's backup communication system operates in the event any electronic interface between the TPA and your firm is inoperable.	
56	Provide a list of TPAs 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 TPAs?	
57	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.	
Reporting and Accounting Requirements		
58	If participants are disadvantaged by a processing or pricing error committed by your institution, please confirm that your institution will make participants "whole" by crediting the participant's account with any lost interest.	
59	Please confirm that your institution, and any subcontractors, will 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.	
60	Please confirm that finance and accounting records will be made available during normal business hours to the City of Los Angeles, the Attorney General, the State Controller, and the California 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.	
61	Please confirm that your institution will make available to City of Los Angeles information and materials necessary to inform participants of the features of the product.	
62	Please confirm that on a quarterly basis, you will provide to the City in writing your 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.	
63	Please confirm that upon request (within five business days), the institution will 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.	
64	Please confirm that if the institution's PCA capital category changes from "well capitalized" to "adequately capitalized," within ten business days of the change, you will 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.	
Compensation and Performance Guarantees		
65	Please indicate any and all administrative or other fees or charges that would not be included within the compensation you net out of the credited rate of return.	

66	Please indicate if you would waive transaction fees or charges that might be incurred in connection with your administration of this account.	
67	Indicate what performance guarantees you would provide and any associated financial penalties associated with some or all of them.	
Additional Information		
68	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.

4.0 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.

4.1 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.

4.2 Cover Letter

Each proposal must include a cover letter limited to two pages. 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.

4.3 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.

4.4 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 proposer to a 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.

4.5 Number of Proposal Copies Required

Proposers are required to submit:

- **One (1) original written proposal** sent to the City of Los Angeles RFP Administrator proposal delivery address which includes all required responses to **Part A** (see specific instructions in Section 3) and **Part B**, with all documents **signed in ink**.
- **Two (2) copies of the written proposal** sent to the City of Los Angeles RFP Administrator proposal delivery address which includes all required responses to **Part A only**.
- **One (1) copy of the written proposal** sent to the City of Los Angeles consultant proposal delivery address which includes all required responses to **Part A only**.
- **Four (4) electronic (USB drive) copies** of your **Part A** response in Word and PDF formats: three to the City of Los Angeles RFP Administrator, and one to the City of Los Angeles consultant for this RFP.

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 6.0 of this RFP), then one (1) redacted copy of the proposal must also be submitted in addition to the original version. 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 are awkward to store. **Please do not submit materials in plastic binders.** Each response should have the bulk of its contents prepared on standard 8½ x 11 paper. Non-essential promotional materials and over-sized materials should be avoided wherever possible except as otherwise requested within the RFP.

4.6 Electronic (USB Drive) Submission

In addition to the written copies of the proposal, proposers are required to provide a copy of the proposal in Adobe PDF, Microsoft Word, and/or (questionnaire only) Microsoft Excel format on a USB flash drive. Redacted versions should be sent separately and identified as such. The USB flash drive containing the proposal versions 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 response.

4.7 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.

4.8 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.

4.9 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.

4.10 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.

4.11 Waiver of Minor Administrative Irregularities

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

4.12 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.

4.13 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 and proposal questionnaire must be received by the RFP Administrator at the published location and by the published due date included with this RFP.

It should be noted that all persons and materials entering the Employee Benefits Division's City Hall location 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.

4.14 Late Proposals

Proposals submitted after the Proposal Submission Deadline shall be considered late. Late proposals will not be considered.

4.15 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.

4.16 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 RFP Administrator. After withdrawing a previously submitted proposal, the proposer may submit another proposal at any time up to the Proposal Submission Deadline.

4.17 Selection of Vendor

The proposer with the highest score based on the RFP criteria and that also satisfies all City contracting requirements will be recommended for selection. Selection is 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 next most qualified proposer.

4.18 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 reserves 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.

4.19 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.

4.20 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.

4.21 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, provided as Attachment 11 in Part B, 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 such 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/>

4.22 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 Part B, Attachment 13, 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 13 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 13 may result in their proposal being deemed non-responsive. **Please note this RFP's published deadline for submitting the BIP Summary Sheet on www.labavn.org.**

4.23 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 Part B, Attachment 12, "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>.

4.24 Confidentiality

All documents, records and information provided by the City to the Contractor, or accessed or reviewed by the Contractor, during performance of the services 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 and any if its employees during performance of services, 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 it, 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 services, 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 services, 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 the contract. 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 employee personnel information; 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 employee personnel information accessed by its employees, agents, and subcontractors during the performance of services. 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 services, 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 the 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.

4.25 Government Taxation Forms

Proposers must submit the following three forms found in Part B, 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 applied for or 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.

4.26 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.

Contractors that provide 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.

Contractors that provide 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 they are 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>.

d) 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 7, "First Source Hiring Ordinance", for further information regarding the requirements of the Ordinance. The First Source Hiring Ordinance Compliance Affidavit shall only be required of the proposer that is selected for award of a contract.

4.27 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.

4.28 Iran Contracting Act of 2010

In accordance with California Public Contract Code Sections 2200-2208, all bidders submitting proposals for, entering into, or renewing contracts with the City of Los Angeles for goods and services estimated at \$1,000,000 or more are required to complete, sign, and submit the "Iran Contracting Act of 2010 Compliance Affidavit."

SECTION 5

EVALUATION OF PROPOSALS

5.0 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

A Review Committee will be designated by the Board to evaluate/score the proposals and generate recommendations for selection to the Board. Following the Board's selection, the award of the contract is subject to successful negotiation of the terms and conditions of an agreement.

- 1) **Written Responses** – All written responses to the RFP questionnaire will be considered and evaluated.
- 2) **Performance Examination** - Proposers will be required to participate in a performance examination. The performance examination will be narrowly focused on specific topics and will be approximately one hour in length. The examination will occur on a date to be determined by the City. The performance examination will address in more substantive detail certain topics included within the Scope of Services of this RFP. Proposers will receive advance notice of the topic. Proposers will not be permitted at the performance examination to discuss the qualifications of their firm; clarify or enhance written responses to the written portion of the RFP; or otherwise discuss any other component of their RFP response or interest in securing business with the City. The performance examination is a separately scored component of the RFP and its evaluation will not affect the evaluation of any other portion of the RFP response.

5.1 Review Criteria

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

EVALUATION CATEGORY	WEIGHT
Organizational Background, Financial Strength, Experience	10%
Regulatory and Contractual Actions	5%
References	5%
Financial Strength	10%
FDIC-Insured Product Characteristics	30%
Recordkeeping Interface	15%
Reporting and Accounting Requirements	15%
Compensation and Performance Guarantees	5%
Performance Exam	5%
TOTAL-->	100%

5.2 Proposal Protest

Level One - Preliminary Review

Proposer may file a protest regarding disqualification at the Level One review (see Section 5.0, "Preliminary Review – Level One".) A Notice of Protest must be filed in writing and submitted to the RFP 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 - Award of Contract Recommendation

Proposers may file a protest regarding the award of the contract. A Notice of Protest must be filed in writing and submitted to the RFP Administrator within seven (7) calendar days of the date the Contracting Authority makes its final vendor selections pursuant to this RFP. 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 the award of the contract 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 and/or recommendations 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 California Public Records Act (California Government Code Section 6250 et seq). Proposers must identify all trade secrets or other proprietary information that the proposers claim are exempt from the Public Records Act. 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.

6.2 Execution of Contract

Unless otherwise stated, proposals submitted will be irrevocable for a period of one-year following the proposal due 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, then the Proposer may be deemed non-responsive and the City may commence contract negotiations with another proposer.

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 Contracting Authority, the Contractor, and signed by the City Attorney. If Contractor performs any modification without a written amendment/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 written 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.

6.5.1 Copies of Subcontractor Agreements

Upon written request from the City, the Contractor will supply the City with all subcontractor agreements at no cost.

6.6 Supplier Performance Feedback Meetings

The Proposer awarded the resulting agreement is required to attend periodic performance feedback meetings facilitated by the Contracting Authority. 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 providing 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 the 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.

6.09 Term & Option to Renew

The term of any contract(s) established pursuant to this RFP shall be for the period identified in the RFP Introduction. The City reserves the right in its sole discretion to seek an extension of the term of the contract.

6.10 Standard Contract Provision Requirements

Please carefully review the information contained in the City of Los Angeles Requirements and Checklist (Part B), 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 and accept the contract provisions will render proposals non-responsive and eliminate them from consideration.

6.11 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.

6.12 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.

6.13 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.

6.14 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.

6.15 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.

6.16 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.

6.17 Proposer Background Information

Proposers must submit contact information as requested in the Proposal Questionnaire.

6.18 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.

6.19 Proposer Signature Declaration

Proposer shall provide a Signature Declaration as requested in the Proposal Questionnaire.