
OCTOBER 23, 2017

AGENDA ITEM 4
ACTION ITEM

CALIFORNIA SECURE CHOICE RETIREMENT SAVINGS INVESTMENT BOARD

Resolution No. 2017-08: Resolution of the California Secure Choice Retirement Savings Investment Board Relating to Approval to Release of Request for Proposals for Investment Consulting Services

Background

The California Secure Choice Retirement Savings Investment Board (“Board”) is the administrator of California’s Secure Choice Retirement Program as defined in Government Code section 100000(b) (“Secure Choice Program” or “Program”), and the State agency responsible for the effective and efficient administration of the California Secure Choice Program Trust (“Trust”).

State law also compels the Board to hire an investment manager or managers, develop an investment policy, develop a risk management and oversight program for the investment portfolio, and regularly report on the program’s investments and investment performance against benchmarks and standards.

Investment consulting services will be necessary to assist the Program in hiring an investment manager or manager for the Program, including planning and development of the request(s) for proposals, analysis of proposals, adopting investment performance benchmarks and benchmarks for fees charged to the Program, and reviewing investment manager performance against those benchmarks.

Investment consulting services will also be necessary to advise the Program on development of investment policies that will dictate the investment options to be offered by the Program and assist the Board in making decisions about the Program’s investment options. The investment consultant shall be relied upon to keep the Board informed on the investment climate and market conditions that could impact the Program’s investments, as well follow and report on trends in the investment management industry.

The investment consultant shall also be relied upon to provide the Board with educational sessions on investment-related topics and respond to information requests from the Board, staff, or other consultants.

Based on some review of the investment consulting marketplace, and outreach to other government agencies that use investment consultants, Secure Choice staff believe such services

could be procured for less than \$450,000 total over a three-year period (two years plus one possible extension year).

Staff Recommendation

Approve resolution number 2017-08 to approve the release of request for proposals no. CSCRSIB06-17 for investment consulting services.

Attachments

- Attachment #1: Resolution No. 2017-08
- Attachment #2: Request for Proposals No. CSCRSIB06-17 for Investment Consulting Services

RESOLUTION NO. 2017-08

RESOLUTION OF THE CALIFORNIA SECURE CHOICE RETIREMENT SAVINGS INVESTMENT BOARD AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT FOR GENERAL CONSULTING SERVICES

WHEREAS, the California Secure Choice Retirement Savings Investment Board (the “Board”) is established under Senate Bill 1234 (Chapter 734, 2012; codified under Government Code section 100000 et seq.) and was mandated to conduct a market analysis to determine whether the necessary conditions for implementation of the California Secure Choice Retirement Savings Trust Act (the “Act”) can be met;

WHEREAS, Senate Bill 1234 (Chapter 804, 2016) expresses legislative approval of the California Secure Choice Retirement Savings Program (“Secure Choice” or “the Program”), requiring the Board to design and implement the Program;

WHEREAS, Government Code section 100010(a)(1) provides the Board the power and authority to make and enter into contracts necessary for administration of the California Secure Choice Retirement Savings Trust (“Trust”);

WHEREAS, Government Code section 100002(e)(2)(A) compels the Board to develop and implement an investment policy that defines the program’s investment objectives and establish policies and procedures enabling investment objectives to be met in a prudent manner;

WHEREAS, Government Code section 100002(e)(3) compels the Board to annually prepare and adopt a written statement of investment policy that includes a risk management and oversight program;

WHEREAS, Government Code section 100002(e)(4) requires the risk management and oversight program to monitor the risk levels of the program investment portfolio and the program monitor investment returns and risk to determine if risks taken are adequately compensated compared to applicable performance benchmarks and standards;

WHEREAS, Government Code section 100002(f) requires the Board to approve an investment management entity or entities; and

WHEREAS, Government Code section 100012(a)(1-3) provides the Board the powers and authority to design, establish, and operate the Secure Choice retirement savings arrangements in a manner consistent with best practices for retirement savings vehicles; with sound investment practices and appropriate selection of default investments; and with simplicity and ease of administration for participating employers;

NOW, THEREFORE, BE IT RESOLVED that the Executive Director, or in her absence, the Chair, or his or her designee, is hereby directed and authorized issue request for proposals no. CSCRSIB06-17 for investment consulting services.

Attest: _____
Chairperson

Date of Adoption: _____

California Secure Choice Retirement Savings Investment Board

Request for Proposals CSCRSIBxx-xx
Investment Consulting Services
Notice to Prospective Bidders

October 24, 2017

You are invited to review and respond to this Request for Proposals No. CSCRSIBxx-xx ("RFP") for investment consulting services.

Proposals for these services must comply with the instructions included in the RFP. The RFP includes the Sample Standard Agreement the selected firm will be expected to execute. The agreement that will be entered into the State of California ("State") will include by reference the General Terms and Conditions and Contractor Certification Clauses which may be viewed and downloaded online at <http://www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx> The General Terms and Conditions and all Exhibits that are a part of the Sample Standard Agreement are not negotiable. By submitting a proposal, your firm agrees to the terms and conditions stated in this RFP.

If you do not have internet access, a hard copy of the RFP can be provided upon request by contacting the person listed below.

All responses to this RFP must be submitted in hard copy and electronic copy and received by the Board no later than **4:00 p.m. Pacific Time** on **November 17, 2017**. Email or faxed submissions will not be accepted. All proposals must be mailed or delivered to:

California Secure Choice Retirement Savings Investment Board
915 Capitol Mall, Room 435
Sacramento, California 95814
Attention: Katie Selenski, Executive Director

In the opinion of the California Secure Choice Retirement Savings Investment Board, this RFP is complete and without need of explanation. However, if you have questions, or should you need any clarifying information, contact Katie Selenski, Executive Director, by email at kaselenski@treasurer.ca.gov. See Section C(2) of this RFP.

Please note that no *verbal* information given will be binding upon the State unless such information is issued in writing as an official addendum.

PLEASE CAREFULLY READ THE RFP AND FOLLOW THE INSTRUCTIONS.

Members

JOHN CHIANG,
CHAIRMAN
State Treasurer

BETTY T. YEE
State Controller

MICHAEL COHEN
Director of Finance

EDWARD J. DE LA ROSA

YVONNE R. WALKER

HEATHER HOOPER

WILLIAM SOKOL

MARTY MORGENSTERN

VACANT

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Attachments

- Attachment 1 - Required Attachment Check List
- Attachment 2 - Proposal/Proposer Certification Sheet
- Attachment 3 - Cost Proposal Worksheet
- Attachment 4 - Bidder References
- Attachment 5 - Minimum Qualifications Certification
- Attachment 6 - Payee Data Record (STD. 204)
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- Attachment 9 - Small Business or Microbusiness Preference (if applicable)
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- Attachment 11 - Target Area Contract Preference Act (if applicable)
- Attachment 12 - California Civil Rights Laws Certification
- Attachment 13 - Bidder Declaration
- Attachment 14 - Securities and Exchange Commission Form Adv (Part 1 and 2) or Proof of Exemption

Sample Standard Agreement

- Exhibit A – Scope of Work
- Exhibit B – Budget Detail and Payment Provisions
- Exhibit C – General Terms and Conditions
- Exhibit D – Special Terms and Conditions

A) Purpose and Description of Services

Scope Overview

The California Secure Choice Retirement Savings Investment Board (“Secure Choice Board”, “Board”, or the “State”) is the administrator of California’s Secure Choice Retirement Savings Program as defined in Government Code section 10000(b) (“Secure Choice Program” or “Program”), and the State agency responsible for the effective and efficient administration of the California Secure Choice Retirement Savings Trust (“Trust”).

A qualified investment consultant is needed to (i) facilitate the Board’s development of an investment policy statement based upon investment beliefs and objectives the Board establishes; (ii) advise on development of a risk management and oversight program; (iii) participate in the solicitation of investment management services, (iv) work collaboratively within and across the organizations and teams that will ultimately be service providers to and stakeholders in the California Secure Choice Retirement Savings Program, and (v) monitor the performance of the investment manager(s) and the investment options ultimately included in the Program. More information about the California Secure Choice Retirement Savings Trust Act can be found online at www.treasurer.ca.gov/SCIB. The Board anticipates the Program will begin phased implementation in the first quarter of 2019, with a pilot launch beginning in mid-2018.

While the selected consultant will be under the management purview of the Program’s Executive Director, the consultant will be expected to consult to the Board at the request of the Executive Director or Board.

Sample Standard Agreement

This Request for Proposals No. CSCRSIBxx-xx (“RFP”) includes a Sample Standard Agreement for each Bidder’s review. The Sample Standard Agreement contains the language that the Board expects to utilize for this contract.

Background

The California Legislature authorized creation of the Board, Program, and Trust with the passage of SB 1234 (Ch. 804, Stats. 2016) in 2016, intending it to be implemented in phases starting in early 2019. The Act authorizes Trust investments for an individual’s retirement. The Board was established to administer the state’s Secure Choice Program.

The Board is the state entity responsible for effective and efficient administration of the Trust. The nine-member Board meets monthly. Meetings are held in accordance with the California Bagley-Keene Open Meeting Act and generally are held in Sacramento, California at the State Treasurer’s Office, 915 Capitol Mall, but may be held at other locations.

Scope of Work

The following scope of work details the Board’s expectations for an investment consultant. These services include the following:

1. Facilitate a process for the Board to identify a set of investment beliefs and objectives;
2. Under the direction of the Board or its designee, analyze and evaluate asset allocation and investment structure options for the Trust based upon investment beliefs and objectives established by the Board, expected use of the accounts and the role of risk reduction;
3. Based upon the Board’s investment beliefs and objectives, assist with the development and ongoing review of an investment policy statement;
4. In conjunction with the investment policy statement, advise the Board on and support the development of an ongoing risk management and oversight program;

5. Participate in the development of the investment manager request for proposals, and assist the Board with evaluation of the proposals. The Board expects to issue a request for proposals for investment management services in late February 2018;
6. Advise the Board or its designee on which data should be reported quarterly by the investment manager(s);
7. Periodically compare Program fees to the fees of other state run retirement plans.
8. Conduct monthly investment performance monitoring and provide quarterly evaluations of the Trust that compare investment results to appropriate indices and Board policies, including compliance by the investment manager(s) to these policies, and provide evaluations to the Board or its designee within 10 business days of receiving the data from the investment manager(s);
9. Provide or recommend investment-related educational sessions for Board members, as requested, no more than twice per year;
10. Inform the Board or its designee in the event of significant changes in the investment climate or market conditions that could affect Trust investments;
11. Provide general advice, counsel, and recommendations on a variety of investment-related matters regarding the Trust including investment personnel, investment strategy, investment option design or modifications, the overall qualitative position of investment manager(s), other state run retirement program vendors, and state run retirement industry issues and trends;
12. Collaborate and communicate with consultants, record keepers, investment managers and other parties retained by the Board, as needed;
13. Attend all Board meetings unless notified otherwise by the Board. It is anticipated that the Board will meet approximately once every month. The investment consultant is expected to attend Board meetings in person approximately six to nine times during the first year and at least quarterly in the second and third years of this engagement. Attendance may include presentations to the Board, as needed and pursuant to a request from the Executive Director;
14. Be available to consult with Board members and the Executive Director from 8:00 a.m. to 5:00 p.m. Pacific Time, Monday through Friday; and
15. Respond to the need for telephone consultation within a 24-hour period and be available for meetings with the Board with no greater than 10 days' notice.

The term of the agreement entered into pursuant to this RFP, if any, will be two years with an option, at the Board's sole discretion, to extend the contract for up to one year. The total amount of the contract shall not exceed \$450,000 over the three-year term (two years and potential one year extension). The contract will require approval by the Department of General Services ("DGS"). In no event shall services be performed prior to approval by the DGS Office of Legal Services.

B) Minimum Qualification for Bidders

Bidder must complete Attachment 5 certifying that the Bidder meets the following minimum qualifications:

1. Bidder must have been actively providing advice on retirement plan investment options for at least the last five years. Investment expertise must include knowledge and experience in a wide range of investment vehicles.
2. Bidder must have been providing consultation to or on behalf of individuals or governmental agencies that have been investing funds totaling at least \$1 billion.

3. Bidder must agree in writing to serve as fiduciary to the Trust, solely in the interest of the Program participants, with respect to its work.
4. Bidder may not, during the term of a contract that may be executed pursuant to this RFP, have a contractual or other business relationship with any program management or administrative services contractor that provides services for the Trust or any investment manager directing funds in the Program, either on its own or in partnership, with other entities. Ownership of an account does not constitute a business relationship for the purposes of this minimum qualification.
5. Must be qualified to do business in the State of California. If awarded the contract, Bidder must be able to provide, at the State's request, evidence of qualification to do business in the State of California from the California Secretary of State. If awarded the contract, Bidder must also be able to provide, at the State's request, evidence of qualification to do business in the State of California from the California Secretary of State for any subcontractor identified as personnel under "Qualifications and Experience", Section D.
6. Bidder must hold and maintain all applicable licenses and registrations required by applicable federal and state laws for businesses offering investment advisory services. If in the future, Secure Choice is deemed to be a municipal security, the investment consultant will need to demonstrate compliance with applicable municipal advisor rules and regulations. All such licenses and registrations must be current and in good standing.

C) Proposal Requirements and Information

1) Schedule (Key Action Dates)

All Bidders are hereby advised of the following schedule and will be expected to adhere to the required dates and times (all times listed are Pacific Time (PT)).

Date	Action
October 24, 2017	RFP available to Prospective Bidders
November 1, 2017, 4:00 p.m. (PT)	Deadline to Submit any Written Questions
November 8, 2017	Answers to Written Questions
November 17, 2017, 4:00 p.m. (PT)	Deadline to Submit Proposals
December 4-8, 2017	Optional Interviews
December 13, 2017	Notice of Intent to Award Contract
December 18, 2017	Proposed Contract Award Date
January 2, 2018	Proposed Contract Start Date

The Board reserves the right to change the above dates and times, and, if so, potential Bidders will be notified via email and an addendum will be issued. The Board also reserves the right not to award an Agreement at all.

2) Questions and Answers

In the opinion of the Board, this RFP is complete and needs no further explanation. However, if you have questions, or should you need any clarifying information, you may submit written questions no later than 4:00 p.m. PT on **November 1, 2017** by email to kselenski@treasurer.ca.gov or by fax to (916) 653-3125.

Answers to all written questions received by 4:00 p.m. PT on **November 1, 2017** will be available online at <http://www.treasurer.ca.gov/scib> by close of business on **November 8**.

3) Submission of Proposal

- a) Proposals should provide straightforward and concise descriptions of the Bidder's ability to satisfy the requirements of this RFP. The proposal must be complete and accurate. Omissions, inaccuracies, or misstatements may be cause for rejection of a proposal.
- b) **In preparing proposals, Bidders must:**
- **Include a cover letter with the following information:**
 - The name, address, email, phone and fax numbers of the principal contact responsible for the oversight of the agreement. Indicate the availability of this person for meetings with the Board.
 - The name, address, email, phone and fax numbers of the project representative who will be available to the Board on a day-to-day basis during the term of the agreement.
 - The name, address, email, phone, fax number and name of a key contact at each partner, if a consortium, and subcontractor and what the aforementioned would be responsible for under the agreement.
- c) All proposals must be submitted in hard copy under sealed cover and received by the Board by 4:00 pm PT on **November 17, 2017**. **Proposals received after this date and time will not be considered.** Proposals received by fax or email will be rejected.
- d) A minimum of one (1) original and five (5) hard copies of the proposal must be submitted. Each Bidder must also submit an electronic version of the proposal on a thumb drive or a disc.
- e) The original proposal must be marked "**ORIGINAL COPY**". All documents contained in the original proposal package must have **original signatures** and must be signed by a person who is authorized to bind the proposing firm. All additional proposal sets may contain photocopies of the original package.
- f) The proposal envelopes must be plainly marked with the RFP number and title, your firm name and address, and must be marked with "**DO NOT OPEN**", as shown in the following example:

Request for Proposals No. CSCRSIBxx-xx
California Secure Choice Retirement Savings Investment Consulting Services
Firm Name
Firm Address
Contact Person and Phone Number
"DO NOT OPEN"

If the proposal is made under a fictitious name or business title, the actual legal name of Bidder must be provided.

Proposals not submitted under sealed cover and marked as indicated may be rejected.

- g) Proposals that omit the Minimum Qualification Certification that is included in Attachment 5 will not be considered. Proposals shall include each of the attachments (if applicable) on the Required Attachment Check List in Section H. Proposals that do not comply with the requirements of the RFP shall be deemed non-responsive. A non-responsive proposal is one that does not meet the basic proposal requirements and will be rejected.
- h) One (1) original and five (5) hard copies of the proposal and an electronic version must be mailed or delivered to the following address:

California Secure Choice Retirement Savings Investment Board
Attention: Katie Selenski, Executive Director
915 Capitol Mall, Room 435
Sacramento, California 95814

- i) Proposals must be submitted for the performance of all the services described herein. Any deviation from the work specifications will not be considered and will cause a proposal to be rejected.
- j) A proposal may be rejected if it is conditional or incomplete, or if it contains any alterations of form or other irregularities of any kind. The Board may reject any or all proposals and may waive an immaterial deviation in a proposal. The Board's waiver of an immaterial deviation shall in no way modify the RFP document or excuse the Bidder from full compliance with all requirements if awarded the agreement.
- k) The Bidder is entirely responsible for the costs of developing proposals and costs incurred in anticipation of award of the Agreement. Such costs shall not be charged to the Board.
- l) An individual who is authorized to bind the proposing firm contractually shall sign Required Attachment 2, Proposal/Proposer Certification Sheet. The signature must indicate the title or position that the individual holds in the firm. An unsigned proposal may be rejected.
- m) A Bidder may modify a proposal after its submission by withdrawing its original proposal and resubmitting a new proposal prior to the proposal submission deadline as set forth in the Schedule (Key Action Dates) in Section C(1). The submission of a new proposal must comply with the requirements in this section. Proposal modifications offered in any other manner, oral or written, will not be considered.
- n) A Bidder may withdraw its proposal by submitting a written withdrawal request to the Board, signed by the Bidder or an authorized agent in accordance with Section C(3)(m). A Bidder may thereafter submit a new proposal prior to the proposal submission deadline. Proposals may not be withdrawn without cause subsequent to the proposal submission deadline.
- o) The Board may modify this RFP prior to the date fixed for submission of proposals by the issuance of an addendum.
- p) The Board reserves the right to reject all proposals. The Board is not required to award an agreement.
- q) Before submitting a proposal, Bidders should carefully review the proposal, correct all errors and confirm compliance with the RFP requirements.
- r) Where applicable, Bidder should carefully examine work sites and specifications. No additions or increases to the agreement amount will be made due to a lack of careful examination of work sites and specifications.
- s) More than one proposal from any firm, organization, partnership, corporation or association under the same or different names, will not be considered. Reasonable grounds for believing that any Bidder has submitted more than one proposal for the work contemplated herein will cause the rejection of all proposals submitted by that Bidder. If there is reason to believe that collusion exists among the Bidders, none of the participants in such collusion will be considered in this or future procurements.
- t) No oral understanding or agreement shall be binding on either party.

4) Evaluation Process

- a) The initial review of the proposals will confirm that all information and required attachments have been submitted in conformity with the requirements of this RFP. The absence of required information and attachments will cause a proposal to be deemed nonresponsive and may result in the proposal's disqualification. Responsive proposals will then be reviewed and scored by an evaluation committee. The categories and the corresponding total possible points for each category is as follows:

Scored Categories	Total Possible Points	
	without Interview	with Interview
Bidder's Background and Personnel	15	15
Experience in Investment Consulting	55	55
Cost	30	39
Total Possible Points First Phase	100	109
Optional Interview	--	20
Total Possible Points	100	129

The evaluation committee will allot points for each component of the RFP, up to 129 points. The scoring will be done in two phases. The first phase based upon the written submission will be worth 100 points, with all items being scored with the exception of the Interview portion. The highest scoring Bidders after the first phase is completed may be contacted for an interview.

The Cost component shall be worth 30 percent of the total score, regardless of whether or not interviews are conducted. For example, if interviews are not conducted, Cost shall be worth 30 points of the total possible 100 points. Conversely, if interviews are conducted, Cost shall be worth 39 points of the total possible 129 points.

Interviews, if any, will be scored based on the Bidders' responses to the same set of questions that will be asked of all Bidders invited for the interview phase. The Bidder's Interview score (up to 20 points) will be added to the Bidder's first phase score (with a recalculation of the Cost score to ensure Cost is always worth 30 percent of the total score), and the Bidder earning the highest total score will be announced as the winner.

The Board reserves the right to not conduct interviews if deemed unnecessary to the selection of an investment consultant.

- b) The following point scale will be used to score the responses to each scored category except with regard to costs.

Points Awarded	Interpretation	General Basis for Point Assignment
100%	Exceptional	Category is addressed with the highest degree of confidence in the bidder's response. The response exceeds the Board's needs, requirements or expectations with superior background/experience/expertise
80%	Excellent	Response fully meets the Board's needs, requirements or expectations with a high degree of confidence in the bidder's response. Bidder offers one or more enhancing feature, method, or approach exceeding basic expectations.
60%	Good	Response fully addresses category being scored. Good degree of confidence in the bidder's response. Minimal weaknesses are acceptable.
40%	Adequate	Response (i.e. content and/or explanation offered) is adequate to meet the Board's needs, requirements or expectations. Any omission(s), flaw(s), or defect(s), are inconsequential and acceptable.
20%	Minimally adequate	Minimally addresses the category being scored, but one or more major considerations of the category are not addressed, or addressed in such a limited way that it results in a low degree of confidence in the bidder's response.
0%	Inadequate	Fails to address any portion of the category being scored. The omission(s), flaw(s), or defect(s) are significant and unacceptable.

- c) Proposals that contain false or misleading statements, or that provide references which do not support an attribute or condition claimed by the Bidder, may be rejected. If, in the opinion of the Board, such information was intended to mislead the Board in its evaluation of the proposal, and the attribute, condition, or capability is a requirement of this RFP, it will be the basis for rejection of the proposal.
- d) The agreement will be awarded to the responsible and responsive Bidder earning the highest total score.
- e) The Board is not required to award an agreement.

5) Award and Protest

- a) Notice of the proposed award shall be posted in a public place in the office of the Board, 915 Capitol Mall, Sacramento, California 95814 and on the Internet at <http://www.treasurer.ca.gov/scib> for five (5) working days prior to awarding the agreement.
- b) If any Bidder, prior to the award of agreement, files a protest with Board and the DGS Office of Legal Services, 707 Third Street, 7th Floor, Suite 7-330, West Sacramento, California 95605, on the grounds that the protesting Bidder would have been awarded the contract had the agency correctly applied the evaluation standard in the RFP, or if the agency followed the evaluation and scoring methods in the RFP, the agreement shall not be awarded until either the protest has been withdrawn or DGS has decided the matter. It is suggested that any protest be submitted by certified or registered mail.
- c) Within five (5) days after filing the initial protest, the protesting Bidder shall file with the Board and the DGS Office of Legal Services a detailed statement specifying the grounds for the protest.

- d) Upon resolution of the protest and award of the agreement, Contractor must complete and submit to the Board the Payee Data Record (STD 204), to determine if the Contractor is subject to state income tax withholding pursuant to California Revenue and Taxation Code Sections 18662 and 26131. This form can be found on the Internet at <https://www.documents.dgs.ca.gov/dgs/fmc/pdf/std204.pdf>. No payment shall be made unless a completed STD 204 has been returned to the Board.
- e) Upon resolution of the protest and award of the agreement, Contractor must sign and submit to the Board, page one (1) of the Contractor Certification Clauses (CCC 04/2017), which can be found on the Internet at <http://www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx>.

6) Disposition of Proposals

- a) Upon proposal opening, all documents submitted in response to this RFP will become the property of the Board and the State, and will be regarded as public records under the California Public Records Act (Government Code Section 6250 et seq.) and subject to review by the public.
- b) Proposal packages may be returned only at the Bidder's expense, unless such expense is waived by the Board.

7) Agreement Execution and Performance

- a) Performance shall start on the contract start date, or on the express date set by the awarding agency and the Contractor, after all approvals have been obtained and the agreement is fully executed. If the Contractor fails to commence work at the agreed upon time, the awarding agency, upon five (5) days written notice to the Contractor, reserves the right to terminate the agreement. In addition, the Contractor shall be liable to the State for the difference between Contractor's proposal price and the actual cost of performing work by another contractor.
- b) All performance under the agreement shall be completed on or before the termination date of the agreement.
- c) The General Terms and Conditions included as Exhibit C to the Sample Standard Agreement are not negotiable. Exhibit C (currently **GTC 04/2017**) can be found online at <http://www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx>

D) Qualifications and Experience

Questions in this section are intended to demonstrate the Bidder's qualifications and experience. Points will be awarded for the Bidder's response(s) to each question. The allocation of points is defined in Section C of this RFP entitled "Evaluation Process." Questions should be answered for each relevant personnel, or subcontractor to the extent applicable if a Bidder is a consortium or is using subcontractors. In preparing proposals, the Bidder must list each question and then provide the Bidder's response to that question in the same order listed in this RFP.

1) Bidder's Background and Personnel (Maximum of fifteen (15) points)

- a) Provide an overview of the Bidder's firm including experience providing consultation to state entities. The response should include a description of the firm's history, organizational structure, and the services Bidder's firm will bring to this contract.
- b) Identify the personnel who will provide the services if awarded the contract, including years and type of experience for each person. Experience should include number of years at the current firm as well as all prior relevant employment. Please also include staff of subcontractors, if any. The contractor is expected to ensure that the quality and availability of personnel assigned to perform services under the contract will be maintained over the term of the contract.

Replacements must have substantially the same or better qualifications and experience than the original personnel. Any change in assigned personnel must be pre-approved by the Board.

Identify the role each person will serve in the contract and his/her title.

Provide detailed resumes for the individuals that will be directly involved in providing the services under the contract including any proposed subcontractors and their employees, if any.

- c) Indicate who will have ultimate responsibility for this contract. Indicate the availability of this person for live or telephone meetings with the Board. Describe the Bidder's backup procedures if the primary person assigned to this account leaves the firm, or is otherwise unavailable.

2) Experience in Investment Consulting (Maximum of fifty-five (55) points)

- a) Describe the Bidder's experience in advising boards on formulating and reviewing investment policies and in interpreting investment data. Include the names of the boards, the number of years that the Bidder has provided such service, the number of agencies or boards to which Bidder is currently providing investment advice and the approximate dollar value of the portfolios for which consultative services are provided.
- b) Describe in detail what data, information, and advice the Bidder proposes to provide to the Board in formulating its investment policies and analyzing and interpreting the investment performance of the investment manager(s). Describe the Bidder's methodology used for measuring risk.
- c) If Bidder has been involved with the development and implementation of a state run investment program (e.g., 529, ABLE or state run retirement plans), please describe the key considerations and challenges in advising on the start-up of a new investment program.
- d) Based on the Bidder's experience with start-up programs, and the understanding of the California Secure Choice Retirement Savings Program, describe how the Bidder would align the characteristics of strong investment performance (risk and return), investment cost and investment vehicles with the needs of the Program, taking into account that the Program may have complex components.
- e) Provide a detailed description of the Bidder's investment manager selection process. Please provide an example of the Bidder's experience with the issuance of a request for proposals for investment management services and include detail regarding the approach to drafting the solicitation and the evaluation of responses. Please include how the Bidder will apply the lessons learned from the experience to this solicitation. Understanding the unique characteristics of the Program, what key requirements would the Bidder include in the investment manager solicitation?
- f) Describe the Bidder's experience and expertise with the development, and ongoing monitoring, of unique investment vehicles, including a reserve option or other pooled investment options. In light of the Bidder's response to 2)d) above, please address the role of these investments in the Secure Choice Program.
- g) Describe the Bidder's experience and expertise with low risk, stable value products, guaranteed investment contracts, insured products and similar investments. How would the Bidder determine the appropriate investment vehicle and provide the evaluation criteria used to select a provider?
- h) Describe how benchmarks are chosen or developed and how an investment's performance is compared to similar investment options. Indicate whether the Bidder has ever developed benchmarks and, if so, provide a description of the benchmarks developed.

- i) Describe the Bidder's investment evaluation process and provide samples of evaluation tools used on a regular basis.
- j) List any consulting accounts lost within the past three years and note the reason for the account lost.
- k) Please provide a project plan in response to the Scope of Work and affirm the Bidder's ability to perform every item in Section A, Scope of Work. Include in the plan an estimated range of hours to complete the work (note that this range of hours will not be factored into the scoring of the Bidder's cost proposal). Please identify any items that Bidder would provide through a subcontractor.
- l) Provide the name, address, telephone number, contact name and title for five (5) firms to serve as references for Bidder, using the format in Attachment 4. Provide three (3) references for any subcontractors the Bidder plans to use. Identify the individuals at Bidder's firm who were responsible for providing consulting services to these clients/entities. Submission of Attachment 4 is mandatory. Proposals that fail to submit Attachment 4 shall be considered nonresponsive and rejected.

3) Optional Interview (Maximum of twenty (20) points)

Answers provided to questions during the interview will be the basis for awarding up to 20 points. Each interviewee will receive the same set of questions. The highest scoring Bidders will be interviewed. See Section C(4) of this RFP for further information on the Interview process.

E) Cost Proposal (Maximum of thirty (30) points)

The cost proposal shall:

- Follow the template outlined in Attachment 3 – Cost Proposal Worksheet.
- Provide a fixed annual fee for performing the Scope of Work set forth in this RFP.

The fixed annual fee provided should include all Bidder fees/costs to the Board. **The Board expects the total amount of the contract not to exceed \$450,000 over the three-year term (two years and potential one year extension) of the contract.** Bidders are advised that neither the Treasurer's Office, nor the Program, will reimburse the Consultant for any travel and lodging expenses.

Proposals submitted with a cost proposal that fails to meet any of the specified requirements outlined above, or in a form other than as provided for in Attachment 3, will be considered nonresponsive and rejected.

The following formula shall be used for the award of cost points:

Lowest cost proposal, based on the estimated Total Cost for a three-year contract term from Attachment 3, is awarded the maximum cost points. Other proposals are awarded cost points based on the following calculation:

$$(\text{Lowest Bidder's cost proposal} / \text{Other Bidder's cost proposal}) = (\text{factor})$$

$$\text{Cost points for other Bidder} = (\text{factor}) \times \text{maximum cost points}$$

EXAMPLE: A maximum of 30 points is available.

Lowest Bidder's Cost Proposal	= \$75,000
Other Bidder's Cost Proposal	= \$100,000

(Lowest Bidder's cost proposal / Other Bidder's cost proposal) = \$75,000 / \$100,000 = $\frac{3}{4}$

Cost points awarded to Other Bidder = $\frac{3}{4}$ X 30 maximum cost points = 22.5 cost points

EXAMPLE IF OPTIONAL INTERVIEW IS CONDUCTED: A maximum of 39 points is available.

Lowest Bidder's Cost Proposal = \$75,000
Other Bidder's Cost Proposal = \$100,000

(Lowest Bidder's cost proposal / Other Bidder's cost proposal) = \$75,000 / \$100,000 = $\frac{3}{4}$

Cost points awarded to Other Bidder = $\frac{3}{4}$ X 39 maximum cost points = 29 cost points

F) Legal, Disciplinary, and Conflicts of Interest Disclosures

Advise if any partner, officer, investment officer, portfolio manager, research analyst, or trader of the Bidder's firm has been convicted or pleaded no contest in a case stemming from a felony indictment. Any such conviction or plea must be disclosed and must be accompanied by a full explanation of the circumstances surrounding it.

Advise if the Bidder is or was a defendant in litigation relating to any services which it proposes to provide to the Board. Any final settlement, administrative decision, or judgment made in connection with this litigation must be disclosed and must be accompanied by a full explanation of the circumstances surrounding it.

Advise if the Bidder, any partner, related company (parent, subsidiary, sister), affiliate or joint venture, or any owner, officer, director, principal, or management level employee of the Bidder been involved in any enforcement action by the Securities and Exchange Commission or any other governmental regulatory agency or been named a defendant in litigation where there was an allegation of violation of fiduciary responsibility. If yes, explain in detail.

Disclose any other legal or disciplinary event that is material to the Board's evaluation of the Bidder or the integrity of Bidder's management or advisory personnel by either: (1) identifying the specific type of event and specifically referring to the relevant portions of the Bidder's most recent Forms MA or MA-I (and, if doing so, providing detailed information specifying where the Board may electronically access such forms), or (2) providing a writing that fully and fairly discloses the information required to be disclosed under MSRB Rule G-42(c)(ii) and (b).

Advise if the Bidder has ever been terminated for cause from any contract. If the answer is yes, cite the background of the contract, reason for the termination, and what the Bidder has done to change operations or personnel to preclude the circumstances regarding the termination from re-occurring.

Disclose any business relationships, which may be construed to be potential or actual conflicts of interest. The contractor will have a continuing requirement to disclose any business relationships that may be construed to be a potential or actual conflict. The disclosure must be sufficiently detailed to inform the Board of the nature, implications and potential consequences of each conflict and must include an explanation of how the Bidder addresses, or intends to manage or mitigate, each conflict.

The Board may reject a proposal due to any disclosure or conflict of interest (potential or actual) that is material in the sole opinion of the Board.

G) California Disabled Veteran Business Enterprise and Preference Programs

- 1) The Disabled Veteran Business Enterprise (DVBE) participation requirements for this RFP and contract have been waived.
- 2) Small Business Preference – www.dgs.ca.gov/pd/Programs.aspx (SB/DVBE - OSDS tab) (If there are any inconsistencies herein with the applicable statutes, regulations, and State Contracting

Manual, the statutes, regulations, and State Contracting Manual shall supersede.)

Small Business / Microbusiness Preference

A five percent (5%) preference will be applied to certified small businesses submitting proposals for this RFP. To obtain the preference, Proposer must either be certified as a small business and submit a copy of their certification approval letter from DGS / Office of Small Business and DVBE Services (OSDS) or submit a complete application for certification to DGS / OSDS by 5:00 p.m. PT on the proposal due date. However, the proposed winning Proposer must be a certified small business at the time of contract award. The 5% preference is used only for computation purposes to determine the winning Proposer and does not alter the amounts of the resulting contract.

Once each proposal has been scored, if the highest scored proposal is from a non-certified small business, then 5% of the highest scoring proposal is added to the total "earned" points for each proposal submitted by a certified small business. These final numbers, with the 5% included, are then used to determine the highest scoring proposal.

Questions regarding the small business certification or preference approval should be directed to the OSDS at (916) 375-4940 or can be found online at <http://www.dgs.ca.gov/pd/Programs/OSDS.aspx>.

Non-Small Business Preference

A five percent (5%) preference is available to a non-small business claiming twenty-five percent (25%) California certified small business subcontractor participation. If claiming the non-small business subcontractor preference, the proposal must include a list of the small business(es) with which the Proposer commits to subcontract in an amount of at least 25% of the net proposal price with one or more California certified small businesses. Each listed certified small business must perform a "commercially useful function" in the performance of the contract as defined in Government Code Section 14837(d)(4).

The required list of California certified small business subcontractors must be attached to the proposal and must include the following: 1) subcontractor name, 2) address, 3) phone number, 4) a description of the work to be performed and/or products supplied, 5) and the dollar amount or percentage of the net proposal price (as specified in the solicitation) per subcontractor.

Proposers claiming the 5% preference must commit to subcontract for at least 25% of the net proposal price with one or more California certified small businesses. Completed certification applications and required support documents must be submitted to the OSDS no later than 5:00 p.m. PT on the proposal due date. Questions regarding certification should be directed to the OSDS at (916) 375- 4940 or can be found online at <http://www.dgs.ca.gov/pd/Programs/OSDS.aspx>.

The preference to a non-small business firm that commits to California certified small business subcontractor participation of 25% of its net proposal price shall be 5% of the highest scoring proposal. A non-small business, which qualifies for this preference, may not take an award away from a certified small business.

- 3) Target Area Contract Preference Act (TACPA) - www.dgs.ca.gov/pd/Programs.aspx (Dispute Resolution tab) (If there are any inconsistencies herein with the applicable statutes, regulations, and State Contracting Manual, the statutes, regulations, and State Contracting Manual shall supersede.)

The TACPA preference will be granted for this procurement. Proposers wishing to take advantage of the TACPA preference will need to review the following website and submit the appropriate response with the proposal:

<http://www.pd.dgs.ca.gov/edip/tacpa.htm>

Proposers wishing to take advantage of the TACPA preference are required to submit the following applications/forms:

- TACPA (Std. 830)
- Bidder's Summary of Contract Activities and Labor Hours (DGS/PD 525)
- Manufacturer Summary of Contract Activities and Labor Hours (DGS/PD 526)

H) Required Attachments

Refer to the following pages for additional Required Attachments.

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ATTACHMENT 1

REQUIRED ATTACHMENT CHECK LIST

Complete this checklist to confirm the attachments. Place a check mark or "X" next to each item that you are submitting to the State. **For your proposal to be responsive, each of the following required attachments must be submitted with your proposal package.**

This checklist should be returned with your proposal package.

<u>Attachment</u>	<u>Attachment Name/Description</u>
____ Attachment 1	Required Attachment Check List
____ Attachment 2	Proposal/Proposer Certification Sheet
____ Attachment 3	Cost Proposal Worksheet
____ Attachment 4	Bidder References
____ Attachment 5	Minimum Qualifications Certification
____ Attachment 6	Payee Data Record (STD.204)
____ Attachment 7	Contractor Certification Clauses (CCC 04/2017)
____ Attachment 8	Darfur Contracting Act Certification Form
____ Attachment 9	Small Business or Microbusiness Preference (if applicable)
____ Attachment 10	Non-Small Business Preference (if applicable)
____ Attachment 11	Target Area Contract Preference Act (if applicable)
____ Attachment 12	California Civil Rights Law Certification
____ Attachment 13	Bidder Declaration (GSPD05-105)
	The forms and additional information about these preference programs can be found online at http://www.dgs.ca.gov/pd/Programs/DisputeResolution.aspx .
____ Attachment 14	SEC Form Adv (Part 1 & 2) or Proof of Exemption

ATTACHMENT 2

PROPOSAL/PROPOSER CERTIFICATION SHEET

This Proposal/Proposer Certification Sheet must be signed and returned along with all the "required attachments" as an entire package in duplicate with original signatures. The proposal must be transmitted in a sealed envelope in accordance with RFP instructions.

- A. Place all required attachments behind this certification sheet.
- B. The signature affixed hereon and dated certifies compliance with all the requirements of this proposal document. The signature below authorizes the verification of this certification.
- C. The signature below certifies to the best of your knowledge that the information provided on this document is true and complete.

An Unsigned Proposal/Proposer Certification Sheet May Be Cause For Rejection

1. Company Name	2. Telephone Number ()	2a. Fax Number ()
3. Address		
Indicate your organization type:		
4. <input type="checkbox"/> Sole Proprietorship	5. <input type="checkbox"/> Partnership	6. <input type="checkbox"/> Corporation
Indicate the applicable employee and/or corporation number:		
7. Federal Employee ID No. (FEIN)	8. California Corporation No.	
9. Indicate applicable license and/or certification information:		
10. Proposer's Name (Print)	11. Title	
12. Signature	13. Date	
14. Are you certified with the Department of General Services, Office of Small Business Certification and Resources (OSBCR) as:		
a. California Small Business Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, enter certification number: _____	b. Disabled Veteran Business Enterprise Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, enter your service code below: _____	
NOTE: A copy of your Certification is required to be included if either of the above items is checked "Yes".		
Date application was submitted to OSBCR, if an application is pending:		

Completion Instructions for Proposal/Proposer Certification Sheet

Complete the numbered items on the Proposal/Proposer Certification Sheet by following the instructions below.

Item Numbers	Instructions
1, 2, 2a, 3	Must be completed. These items are self-explanatory.
4	Check if your firm is a sole proprietorship. A sole proprietorship is a form of business in which one person owns all the assets of the business in contrast to a partnership and corporation. The sole proprietor is solely liable for all the debts of the business.
5	Check if your firm is a partnership. A partnership is a voluntary agreement between two or more competent persons to place their money, effects, labor, and skill, or some or all of them in lawful commerce or business, with the understanding that there shall be a proportional sharing of the profits and losses between them. An association of two or more persons to carry on, as co-owners, a business for profit.
6	Check if your firm is a corporation. A corporation is an artificial person or legal entity created by or under the authority of the laws of a state or nation, composed, in some rare instances, of a single person and his successors, being the incumbents of a particular office, but ordinarily consisting of an association of numerous individuals.
7	Enter your federal employee tax identification number.
8	Enter your corporation number assigned by the California Secretary of State's Office. This information is used for checking if a corporation is in good standing and qualified to conduct business in California.
9	Complete, if applicable, by indicating the type of license and/or certification that your firm possesses and that is required for the type of services being procured.
10, 11, 12, 13	Must be completed. These items are self-explanatory.
14	If certified as a California Small Business, place a check in the "yes" box, and enter your certification number on the line. If certified as a Disabled Veterans Business Enterprise, place a check in the "Yes" box and enter your service code on the line. If you are not certified to one or both, place a check in the "No" box. If your certification is pending, enter the date your application was submitted to OSBCR.

ATTACHMENT 3

COST PROPOSAL WORKSHEET

All specifications outlined in Section E of the RFP shall be met or the Bidder's proposal will be considered non-responsive and rejected.

Contract Year	Fixed Annual Fee
Year 1	
Year 2	
Extension Year	
Total	

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ATTACHMENT 4

BIDDER REFERENCES

Submission of this attachment is mandatory. Failure to complete and return this attachment with your proposal will cause your proposal to be rejected and deemed nonresponsive.

List below five references for services performed within the last five years, which are similar to the scope of work to be performed in this contract. If five references cannot be provided, provide an explanation on an attached sheet of paper.

REFERENCE 1			
Name of Firm			
Street Address	City	State	Zip Code
Contact Person	Telephone Number		
Dates of Service	Value or Cost of Service*		
Brief Description of Service Provided			
REFERENCE 2			
Name of Firm			
Street Address	City	State	Zip Code
Contact Person	Telephone Number		
Dates of Service	Value or Cost of Service*		
Brief Description of Service Provided			
REFERENCE 3			
Name of Firm			
Street Address	City	State	Zip Code
Contact Person	Telephone Number		
Dates of Service	Value or Cost of Service*		
Brief Description of Service Provided			
REFERENCE 4			
Name of Firm			
Street Address	City	State	Zip Code
Contact Person	Telephone Number		
Dates of Service	Value or Cost of Service*		
Brief Description of Service Provided			

*Optional

REFERENCE 5

Name of Firm			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service*	

Brief Description of Service Provided

SUBCONTRACTOR REFERENCES (if applicable)

List below three references for services performed by your subcontractor(s) within the last five years, which are similar to the scope of work to be performed in this contract. If three references cannot be provided, provide an explanation on an attached sheet of paper.

REFERENCE 1

Name of Firm			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service*	

Brief Description of Service Provided

REFERENCE 2

Name of Firm			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service*	

Brief Description of Service Provided

REFERENCE 3

Name of Firm			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service*	

Brief Description of Service Provided

*Optional

ATTACHMENT 5

MINIMUM QUALIFICATIONS CERTIFICATION

The firm certifies that it fulfills the minimum qualifications outlined in Section B of Request for Proposals No. CSCRISB~~xx-xx~~ (the "RFP").

On behalf of _____, I certify that said firm
(Firm Name)

complies with the Minimum Qualifications set forth in Section B of the RFP.

(Authorized Signature of Firm)

(Firm Name)

(Print Name)

(Date)

(Title)

ATTACHMENT 6

Payee Data Record

<https://www.documents.dgs.ca.gov/dgs/fmc/pdf/std204.pdf>

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ATTACHMENT 7

CCC 04/2017

CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

<i>Contractor/Bidder Firm Name (Printed)</i>		<i>Federal ID Number</i>
<i>By (Authorized Signature)</i>		
<i>Printed Name and Title of Person Signing</i>		
<i>Date Executed</i>	<i>Executed in the County of</i>	

CONTRACTOR CERTIFICATION CLAUSES

1. **STATEMENT OF COMPLIANCE**: Contractor has, unless exempted, complied with the nondiscrimination program requirements. (Gov. Code §12990 (a-f) and CCR, Title 2, Section 11102) (Not applicable to public entities.)

2. **DRUG-FREE WORKPLACE REQUIREMENTS**: Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

b. Establish a Drug-Free Awareness Program to inform employees about:

- 1) the dangers of drug abuse in the workplace;
- 2) the person's or organization's policy of maintaining a drug-free workplace;
- 3) any available counseling, rehabilitation and employee assistance programs; and,
- 4) penalties that may be imposed upon employees for drug abuse violations.

c. Every employee who works on the proposed Agreement will:

- 1) receive a copy of the company's drug-free workplace policy statement; and,

2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: the Contractor has made false certification, or violated the certification by failing to carry out the requirements as noted above. (Gov. Code §8350 et seq.)

3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal court, which orders Contractor to comply with an order of the National Labor Relations Board. (Pub. Contract Code §10296) (Not applicable to public entities.)

4. CONTRACTS FOR LEGAL SERVICES \$50,000 OR MORE- PRO BONO REQUIREMENT: Contractor hereby certifies that Contractor will comply with the requirements of Section 6072 of the Business and Professions Code, effective January 1, 2003.

Contractor agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the contract equal to the lesser of 30 multiplied by the number of full time attorneys in the firm's offices in the State, with the number of hours prorated on an actual day basis for any contract period of less than a full year or 10% of its contract with the State.

Failure to make a good faith effort may be cause for non-renewal of a state contract for legal services, and may be taken into account when determining the award of future contracts with the State for legal services.

5. EXPATRIATE CORPORATIONS: Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.

6. SWEATFREE CODE OF CONDUCT:

a. All Contractors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The contractor further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at www.dir.ca.gov, and Public Contract Code Section 6108.

b. The contractor agrees to cooperate fully in providing reasonable access to the contractor's records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations, or the Department of Justice to determine the contractor's compliance with the requirements under paragraph (a).

7. DOMESTIC PARTNERS: For contracts of \$100,000 or more, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.3.

8. GENDER IDENTITY: For contracts of \$100,000 or more, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.35.

DOING BUSINESS WITH THE STATE OF CALIFORNIA

The following laws apply to persons or entities doing business with the State of California.

1. CONFLICT OF INTEREST: Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

Current State Employees (Pub. Contract Code §10410):

- 1). No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
- 2). No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Pub. Contract Code §10411):

- 1). For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.
- 2). For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void. (Pub. Contract Code §10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Pub. Contract Code §10430 (e))

2. LABOR CODE/WORKERS' COMPENSATION: Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700)

3. AMERICANS WITH DISABILITIES ACT: Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

4. CONTRACTOR NAME CHANGE: An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

5. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:

a. When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the contractor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.

b. "Doing business" is defined in R&TC Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the state not be subject to the franchise tax.

c. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

6. RESOLUTION: A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

7. AIR OR WATER POLLUTION VIOLATION: Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

8. PAYEE DATA RECORD FORM STD. 204: This form must be completed by all contractors that are not another state agency or other governmental entity.

ATTACHMENT 8

DARFUR CONTRACTING ACT
Certification Form

Pursuant to Public Contract Code section 10478, if a bidder or proposer currently or within the previous three years has had business activities or other operations outside of the United States, it must certify that it is not a "scrutinized" company as defined in Public Contract Code section 10476.

Therefore, to be eligible to submit a bid or proposal, please insert your company name and Federal ID Number and complete only one of the following three paragraphs (via initials for Paragraph # 1 or Paragraph # 2, or via initials and certification for Paragraph # 3):

<i>Company/Vendor Name (Printed)</i>	<i>Federal ID Number</i>
<i>Printed Name and Title of Person Initialing (for Options 1 or 2)</i>	

1. _____ We do not currently have, and have not had within the previous
Initials three years, business activities or other operations outside of the United States.
- OR**
2. _____ We are a scrutinized company as defined in Public Contract Code
Initials section 10476, but we have received written permission from the Department of General Services (DGS) to submit a bid or proposal pursuant to Public Contract Code section 10477(b). A copy of the written permission from DGS is included with our bid or proposal.
- OR**
3. _____ We currently have, or we have had within the previous three years,
Initials + Certification business activities or other operations outside of the United States, but we certify below that we are not a scrutinized company below as defined in Public Contract Code section 10476.

CERTIFICATION For # 3.

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective proposer/bidder to the clause listed above in # 3. This certification is made under the laws of the State of California.

<i>By (Authorized Signature)</i>	
<i>Printed Name and Title of Person Signing</i>	
<i>Date Executed</i>	<i>Executed in the County and State of</i>

ATTACHMENTS 9, 10, 11, 12, & 13

PREFERENCE PROGRAMS (IF APPLICABLE)

Attach proof in claiming Small Business or Microbusiness Preference, Non-Small Business Preference, or TACPA, if applicable

Small Business or Microbusiness Preference

<http://www.dgs.ca.gov/pd/Programs/OSDS.aspx>

Non-Small Business Preference

<http://www.dgs.ca.gov/pd/Programs/OSDS.aspx>

Target Area Contract Preference Act (TACPA)

<http://www.dgs.ca.gov/pd/Programs/DisputeResolution.aspx>

California Civil Rights Laws Certification

<https://www.documents.dgs.ca.gov/pd/pestatus/CALIFORNIA%20CIVIL%20RIGHTS%20LAWS%20ATTACHMENT.pdf>

Bidder Declaration and Instructions

<https://www.documents.dgs.ca.gov/pd/poliproc/MASTER-biddeclarverbal08-09.pdf>

ATTACHMENTS 14

**SECURITIES AND EXCHANGE COMMISSION FORM ADV (PART 1 AND PART 2)
OR PROOF OF EXEMPTION**

Bidder must be a registered investment advisor or exempt from registration. Bidder must attach its Form ADV (Part 1 and 2) as currently on file with the Securities and Exchange Commission or it must provide Proof of Exemption from Registration.

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SAMPLE STANDARD AGREEMENT

STATE OF CALIFORNIA

STANDARD AGREEMENT

STD 213 (Rev 06/03)

AGREEMENT NUMBER

CSCRSIB04-17

REGISTRATION NUMBER

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME

California Secure Choice Retirement Savings Investment Board

CONTRACTOR'S NAME

2. The term of this Agreement is:

3. The maximum amount \$ of this Agreement is:

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

Exhibit A – Scope of Work **3 pages**

Exhibit B – Budget Detail and Payment Provisions **1 page**

Exhibit B, Attachment 1 – Cost Proposal **1 page**

Exhibit C* – General Terms and Conditions **GTC04/2017**

Check mark one item below as Exhibit D:

Exhibit – D Special Terms and Conditions (Attached hereto as part of this agreement) **7 pages**

Exhibit – D* Special Terms and Conditions

RFP CSCRSIB04-17 and Contractor's response thereto are hereby incorporated by reference and made a part of this agreement.

Items shown with an Asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto. These documents can be viewed at <http://www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx>

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR

CONTRACTOR'S NAME (if other than an individual, state whether a corporation.)

BY (Authorized Signature)

[Signature]

DATE SIGNED (Do not type)

PRINTED NAME AND TITLE OF PERSON SIGNING

ADDRESS

STATE OF CALIFORNIA

AGENCY NAME

California Secure Choice Retirement Savings Investment Board

BY (Authorized Signature)

[Signature]

DATE SIGNED (Do not type)

PRINTED NAME AND TITLE OF PERSON SIGNING

ADDRESS

**California Department of
General Services Use Only**

Exempt

**EXHIBIT A
(Standard Agreement)**

SCOPE OF WORK

The following scope of work details the Board's expectations for an investment consultant. These services include the following:

1. Facilitate a process for the Board to identify a set of investment beliefs and objectives;
2. Under the direction of the Board or its designee, analyze and evaluate asset allocation and investment structure options for the Trust based upon investment beliefs and objectives established by the Board, expected use of the accounts and the role of risk reduction;
3. Based upon the Board's investment beliefs and objectives, assist with the development and ongoing review of an investment policy statement;
4. In conjunction with the investment policy statement, advise the Board on and support the development of an ongoing risk management and oversight program;
5. Participate in the development of the investment manager request for proposals, and assist the Board with evaluation of the proposals. The Board expects to issue a request for proposals for investment management services in late February 2018;
6. Advise the Board or its designee on which data should be reported quarterly by the investment manager(s);
7. Periodically compare Program fees to the fees of other state run retirement plans.
8. Conduct monthly investment performance monitoring and provide quarterly evaluations of the Trust that compare investment results to appropriate indices and Board policies, including compliance by the investment manager(s) to these policies, and provide evaluations to the Board or its designee within 10 business days of receiving the data from the investment manager(s);
9. Provide or recommend investment-related educational sessions for Board members, as requested, no more than twice per year;
10. Inform the Board or its designee in the event of significant changes in the investment climate or market conditions that could affect Trust investments;
11. Provide general advice, counsel, and recommendations on a variety of investment-related matters regarding the Trust including investment personnel, investment strategy, investment option design or modifications, the overall qualitative position of investment manager(s), other state run retirement program vendors, and state run retirement industry issues and trends;
12. Collaborate and communicate with consultants, record keepers, investment managers and other parties retained by the Board, as needed;
13. Attend all Board meetings unless notified otherwise by the Board. It is anticipated that the Board will meet approximately once every month. The investment consultant is expected to attend Board meetings in person approximately six to nine times during the first year and at

**EXHIBIT A
(Standard Agreement)**

least quarterly in the second and third years of this engagement. Attendance may include presentations to the Board, as needed and pursuant to a request from the Executive Director;

14. Be available to consult with Board members and the Executive Director from 8:00 a.m. to 5:00 p.m. Pacific Time, Monday through Friday; and
15. Respond to the need for telephone consultation within a 24-hour period and be available for meetings with the Board with no greater than 10 days' notice.

The term of the agreement entered into pursuant to this RFP, if any, will be two years with an option, at the Board's sole discretion, to extend the contract for up to one year. The total amount of the contract shall not exceed \$450,000 over the three-year term (two years and potential one year extension). The contract will require approval by the Department of General Services ("DGS"). In no event shall services be performed prior to approval by the DGS Office of Legal Services.

- 1) The services shall be primarily performed at the offices of the Contractor and at the offices of appropriate affiliates, related entities, subsidiaries and subcontractors; however, there will be some mandatory meetings in or near Sacramento, California.
- 2) Contractor is expected to ensure that the quality and availability of personnel assigned to perform services under the contract will be maintained over the term of the contract. Replacements must have substantially the same or better qualifications and experience than the original personnel. Any change in assigned personnel must be pre-approved by the Board.
- 3) The project representatives during the term of this agreement will be:

State Agency: California Secure Choice Retirement Savings Investment Board	Contractor:
Name: Katie Selenski, Executive Director	Name:
Phone: (916) 653-4046	Phone:
Fax: (916) 653-3125	Fax:

- 4) Distribution/Ownership/Confidentiality of Data

The distribution of all data produced by the Contractor is restricted to the Board. This data becomes property of the Board, and the Board reserves exclusive rights to its further dissemination. In addition, Contractor shall keep confidential any information which identifies, or may identify, Secure Choice account holders.

- 5) Conflict of Interest

During the term of the agreement, the Contractor may not begin a contractual or other business relationship with any investment management services contractor that provides services for the Trust or any investment manager directing funds in the Secure Choice Program portfolio, either on its own or in partnership, with other entities.. Should the Contractor begin such a relationship, it shall notify the Board immediately and the agreement may be terminated immediately by the Board on the ground of conflict of interest and any payments made subsequent to the creation of the conflict shall be disgorged by the agreement. Also, the Contractor may continue to

EXHIBIT A
(Standard Agreement)

perform and receive payment under this agreement only if the Board executes a written waiver of conflict, which waiver may not be given retroactive effect.

This section applies to any subcontractors the Contractor may utilize for this agreement. Ownership of a Secure Choice Program account does not constitute a business relationship for the purposes of this article.

6) Agreement Extension

The Board shall have the option to extend this agreement for up to one year. The amendment to extend the agreement for up to one year will be subject to the approval of the Board and the Department of General Services.

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**EXHIBIT B
(Standard Agreement)**

BUDGET DETAIL AND PAYMENT PROVISIONS

1) Invoicing and Payment

- A. For services satisfactorily rendered, and upon receipt and approval of the invoices, the State agrees to compensate the Contractor for professional services a quarterly fee based upon the annual fee(s) identified in Contractor's proposal. It shall be the State's sole determination as to whether services have been satisfactorily rendered. Contractor will not be reimbursed for travel expenses, support services or other expenses such as postage, courier, printing/reproduction costs, and conference calls.
- B. Invoices shall include the Agreement Number and shall be submitted in triplicate not more frequently than quarterly in arrears to:

California Secure Choice Retirement Savings Investment Board
915 Capitol Mall, Room 435
Sacramento, CA 95814
Attention: Katie Selenski, Executive Director

In consideration for the satisfactory completion of the services described herein, the State agrees to pay Contractor, in arrears, upon receipt of an invoice, for services rendered under this Agreement.

- C. The total amount of the contract shall not exceed \$450,000 over the three-year term (two years and potential one year extension).

2) Budget Contingency Clause

- A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

3) Prompt Payment Clause

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

**EXHIBIT C
(Standard Agreement)**

GENERAL TERMS AND CONDITIONS

Exhibit C to this Agreement, the General Terms and Conditions (GTC), is hereby incorporated by reference and made part of this agreement as if attached hereto. The General Terms and Conditions can be viewed at <http://www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx>.

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**EXHIBIT D
(Standard Agreement)**

SPECIAL TERMS AND CONDITIONS

1. Excise Tax

The State of California is exempt from federal excise taxes, and no payment will be made for any taxes levied on employees' wages. The State will pay for any applicable State of California or local sales or use taxes on the services rendered or equipment or parts supplied pursuant to this Agreement. California may pay any applicable sales and use tax imposed by another state.

2. Settlement of Disputes

In the event of a dispute, Contractor shall file a "Notice of Dispute" with a Deputy Treasurer of the State Treasurer's Office within ten (10) days of discovery of the problem. Within ten (10) days, the Deputy Treasurer shall meet with the representatives of Contractor and the State identified in [Insert Paragraph No.] of Exhibit A for purposes of resolving the dispute. The decision of the Deputy Treasurer shall be final.

3. Evaluation of Contractor

Pursuant to Public Contract Code sections 10367 and 10369 within sixty (60) days after the completion of this Agreement, the State shall complete a written evaluation of Contractor's performance under this Agreement. If this Agreement is a contract for consultant services and if Contractor did not satisfactorily perform the work, a copy of the evaluation will be sent to the Department of General Services (DGS), Office of Legal Services, and to the Contractor within fifteen (15) working days of the completion of the evaluation in accordance with Public Contract Code section 10371.

4. No Agency Liability

The Contractor warrants by execution of this Agreement that no person or selling agency has been employed or retained to solicit or secure this Agreement upon agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the State shall, in addition to other remedies provided by law, have the right to annul this Agreement without liability, paying only for the value of the work actually performed, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

5. Potential Subcontractors

Nothing contained in this Agreement or otherwise, shall create any contractual relationship between the State and any subcontractors, and no subcontract shall relieve the Contractor of his responsibilities and obligations hereunder. The Contractor agrees to be as fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from the obligation of the State to make payments to the Contractor. As a result, the State shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.

6. Force Majeure

Neither party to this Agreement shall be liable for damages resulting from delayed or defective performance when such delays arise out of causes beyond the control and without the fault or negligence

**EXHIBIT D
(Standard Agreement)**

of the offending party. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of the State in its sovereign capacity, fires, floods, power failure, disabling strikes, epidemics, quarantine restrictions, and freight embargoes.

7. Waivers

No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any right, power or privilege hereunder, nor any single or partial exercise of any right, power or privilege hereunder, preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

8. Incorporation of Amendments to Applicable Laws

Any references to sections of federal or state statutes or regulations shall be deemed to include a reference to any amendments thereof and any successor provisions thereto.

9. Confidentiality

All financial, statistical, personal, technical and other data and information relating to the operations of the State which are designated confidential by the State and become available to Contractor shall be protected by Contractor from unauthorized use and disclosure.

10. Titles/Section Headings

Titles and headings are for convenience of reference only, and shall have no effect on the construction or legal effect of this Agreement.

11. Choice of Law

Notwithstanding Paragraph 14 of Exhibit C (General Terms and Conditions), this Agreement shall be administered, construed, and enforced according to the laws of the State of California (without regard to any conflict of laws provisions) to the extent such laws have not been preempted by applicable federal law. Any suit brought hereunder, including any action to compel arbitration or to enforce any award or judgment rendered thereby, shall be brought in state court sitting in Sacramento, California, the parties hereby waiving any claim or defense that such forum is not convenient or proper. Each party agrees that any such court shall have in personam jurisdiction over it and consents to service of process in any manner authorized by California law.

12. Notices

The parties agree that to avoid unreasonable delay in the progress of the services performed hereunder, Contractor and the State have designated in Paragraph [Insert Paragraph No.] of Exhibit A specific staff representatives for the purpose of communication between the parties. Any notice or other written communication required or which may be given hereunder shall be deemed given when delivered personally, or by mail three (3) days after the date of mailing, unless by express mail then upon the date of confirmed receipt, to the representatives named in Paragraph [Insert Paragraph No.] of Exhibit A.

Either party hereto may, from time to time by notice in writing served upon the other as aforesaid, designate a different mailing address or a different or additional person to which all such notices or demands thereafter are to be addressed.

**EXHIBIT D
(Standard Agreement)**

13. Permits and Licenses

Contractor shall carry out its duties and responsibilities herein in accordance with, be limited in the exercise of its rights by, and observe and comply with, all federal, state, city and county laws, rules or regulations affecting services under this Agreement. Contractor shall procure and keep in full force and effect during the term of this Agreement all permits and licenses necessary to accomplish the work contemplated in this Agreement.

14. Books and Records

Contractor shall keep accurate books and records connected with the performance of this Agreement for a period of at least three (3) years. Contractor shall ensure that books and records of subcontractors, suppliers, and other providers shall also be accurately maintained. Such books and records shall be kept in a secure location and shall be available for inspection and copying by the State and its representatives at any time.

15. Key Personnel

- a. A resume for each member of Contractor's staff who will exercise a significant administrative, policy, or consulting role under this Agreement is attached to this Agreement as [Attachment ___ / Exhibit ___]. These members of Contractor's staff shall be hereafter referred to (both individually and collectively) as "Key Personnel."
- b. Contractor shall not substitute, replace or reassign Key Personnel without _____ the prior approval of the State.
- c. This Agreement may be terminated immediately, in the sole discretion of the State and upon written notice from the State to Contractor, because of any change in or departure of any of the Key Personnel.

16. Changes in Control, Organization or Key Personnel

Contractor shall promptly, and in any case within five (5) days, notify the State in writing: (i) if any of Contractor's representations and warranties, as set forth in this Agreement, cease to be true at any time during the term of this Agreement; (ii) of any change in Contractor's staff who exercises a significant administrative, policy, or consulting role under this Agreement, including without limitation any Key Personnel; (iii) of any change in the majority ownership, control, or business structure of Contractor; or (iv) of any other material change in Contractor's business, partnership or corporate organization. All written notices from Contractor under this provision shall contain sufficient information to permit the State to evaluate the changes within Contractor's staff or organization under the same criteria as was used by the State in its award of this Agreement to Contractor.

17. Insurance Requirements

Contractor warrants that it carries adequate liability, worker's compensation and other necessary insurance and shall maintain such insurance at levels acceptable to the State in full force and effect during the term of this Agreement. Contractor agrees to furnish satisfactory evidence of this insurance coverage to the State upon request.

**EXHIBIT D
(Standard Agreement)**

18. Subcontractors

- a. Contractor shall perform the work contemplated by this Agreement with resources available within its own organization except for subcontracted work identified in this Agreement or other attachment incorporated hereto. No other portion of the work pertinent to this Agreement shall be subcontracted without written authorization by the State. The subcontractor must be mutually agreed upon in advance by both parties.
- b. Contractor shall require that any subcontractor agree to be bound by all provisions of this Agreement, as applicable.

19. Notice of Proceedings

Contractor shall promptly notify the State in writing of any investigation, examination or other proceeding involving Contractor, including any Key Personnel, commenced by any regulatory agency, which proceeding is not conducted in the ordinary course of Contractor's business.

20. Cumulative Remedies

The rights and remedies provided herein are cumulative and are not exclusive of any rights or remedies that any party may otherwise have at law or in equity.

21. Binding Effect

This Agreement, any instrument or agreement executed pursuant to this Agreement, and the rights, covenants, conditions and obligations of Contractor and the State contained therein, shall be binding upon the parties and their successors, assigns and legal representatives.

22. Publicity

No publicity release or announcement concerning this Agreement or the transactions contemplated herein shall be issued by Contractor without advance written approval by the State.

23. Services or Procurement Resulting from Agreement

Neither Contractor, nor any of its subsidiaries, officers or directors, may submit a bid or be awarded a contract for the provision of services, procurement of goods or supplies, or any other related action which is required, suggested, or otherwise deemed to be an outgrowth of the advice or recommendations that Contractor provides under this Agreement.

24. Agreement Does Not Violate Law

Contractor represents and warrants that neither the execution of this Agreement nor the acts contemplated hereby nor compliance by Contractor with any provisions hereof will:

- a. Violate any provision of the charter documents of Contractor;
- b. Violate any statute or law or ordinance or any judgment, decree, order, regulation or rule of any court or governmental authority applicable to Contractor; or
- c. Violate, or be in conflict with, or constitute a default under, or permit the termination of, or require the consent of any person under, any agreement to which Contractor may be bound, the violation of which in the aggregate would have a material adverse effect on the properties, business, prospects, earnings, assets, liabilities or condition (financial or otherwise) of Contractor.

**EXHIBIT D
(Standard Agreement)**

25. Power and Authority

Contractor represents and warrants that it has the power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution of this Agreement has been duly authorized by Contractor and no other proceeding on the part of Contractor is necessary to authorize this Agreement. Contractor has completed, obtained and performed all registrations, filings, approvals, authorizations, consents or examinations required by any government or governmental authority for its acts contemplated by this Agreement.

26. Signature Authorization

The person signing this Agreement warrants that he/she is an agent of Contractor and is duly authorized to enter into this Agreement on behalf of Contractor.

27. Entire Agreement; Order of Precedence

- a. This Agreement, including documents that have been incorporated in this Agreement by reference, contains all representations and the entire understanding between the parties hereto with respect to the subject matter hereof. Any prior correspondence, memoranda or agreements are replaced in total by this Agreement.
- b. In the event there are any inconsistencies or ambiguities among the terms of this Agreement and incorporated documents, the following order of precedence shall be used: (i) applicable laws; (ii) the terms and conditions of this Agreement, including exhibits and attachments; (iii) the Request for Proposal (RFP) if any; (iv) Contractor's response to the RFP if any; and (v) any other provisions, terms, or materials incorporated herein.

28. Termination at Option of the State

In addition to the provisions of Paragraph 7 of Exhibit C (General Terms and Conditions), this Agreement may be terminated in whole or in part at any time upon [insert number of days for notice of termination] days' written notice by the State, for any reason. Upon receipt of a termination notice, Contractor shall promptly discontinue all services affected unless the notice specifies otherwise. In the event the State terminates all or a portion of this Agreement for any reason, it is understood that the State will provide payment to Contractor for satisfactory services rendered prior to the termination, but not in excess of the maximum amount of this Agreement.

29. Termination for Insolvency

Contractor shall notify the State immediately in writing in the event that Contractor files any federal bankruptcy action or state receivership action, any federal bankruptcy or state receivership action is commenced against Contractor, Contractor is adjudged bankrupt, or a receiver is appointed and qualifies. In the event of any of the foregoing events, or if the State determines, based on reliable information, that there is a substantial probability that Contractor will be financially unable to continue performance under this Agreement, the State may terminate this Agreement and all further rights and obligations immediately.

30. Completion

In the event of termination for default, the State reserves the right to take over and complete the work by contract or other means. In such case, Contractor will be liable to the State for any additional cost incurred by the State to complete the work whether reimbursed or not.

**EXHIBIT D
(Standard Agreement)**

31. Effect of Termination

All duties and obligations of the State and Contractor shall cease upon termination of this Agreement, except that:

- a. Each party shall remain liable for any rights, obligations, or liabilities arising from activities carried on by it under this Agreement prior to the effective date of termination; and
- b. Contractor shall provide for the return of all records of the State to the State or its designee and shall cooperate fully to effect an orderly transfer of services.

32. Termination for Expatriation

Contractor shall notify the State immediately in writing in the event that Contractor or its parent files any notice with the Securities and Exchange Commission that Contractor intends to reincorporate offshore. In the event of such notice, the State may terminate this Agreement and all further rights and obligations immediately by giving five (5) days' notice in writing in the manner specified herein.

33. Compliance With Political Reform Act

Contractor acknowledges that the State is subject to the provisions of the Political Reform Act (Government Code section 81000 et seq. and all regulations adopted thereunder, including, but not limited to, California Code of Regulations, title 2, section 18700 et. seq.) and Contractor shall comply promptly with any requirement thereunder. If required by law, Contractor shall require its personnel, including without limitation, its Key Personnel all later substitutions therefore, to file Statements of Economic Interests in compliance with the Conflict of Interest Code for the Office of the State Treasurer and the various boards, authorities, commissions, and committees chaired by the State Treasurer (California Code of Regulations, title 2, section 1897). All such reports shall be filed simultaneously with the State.

34. Darfur Contracting Act

Effective January 1, 2009, all Invitations for Bids (IFB) or Requests for Proposals (RFP) for goods or services must address the requirements of the Darfur Contracting Act of 2008 (Act). (Public Contract Code section 10475 et seq.) The Act was passed by the California Legislature and signed into law by the Governor to preclude State agencies generally from contracting with "scrutinized" companies that do business in the African nation of Sudan of which the Darfur region is a part, for the reasons described in Public Contract Code section 10475.

A scrutinized company is a company doing business in Sudan as defined in Public Contract Code section 10476. Scrutinized companies are ineligible to, and cannot, bid on or submit a proposal for a contract with a State agency for goods or services. (Public Contract Code section 10477(a).)

Therefore, Public Contract Code section 10478(a) requires a company that currently has (or within the previous three years has had) business activities or other operations outside of the United States to certify that it is not a "scrutinized" company when it submits a bid or proposal to a State agency. A scrutinized company may still, however, submit a bid or proposal for a contract with a State agency for goods or services if the company first obtains permission from DGS according to the criteria set forth in Public Contract Code section 10477(b).

35. Deleted for the purposes of this RFP.

**EXHIBIT D
(Standard Agreement)**

36. Labor Neutrality Policy

[The Treasurer's Office/BCA] recognizes the value of labor organizing and encourages the entities with which it contracts to demonstrate that they also value this principle by encouraging management neutrality in labor organizing activities.

To remain "neutral" means not to take any action or make any statement that will directly or indirectly state or imply any support for or opposition to the selection by the Contractor's employees of a collective bargaining agent, or preference or opposition to any particular union as a bargaining agent. Nothing in this section obligates or prohibits the Contractor from entering into private neutrality, labor peace or other lawful agreements with a labor organization seeking to represent or who currently represents the Contractor's employees.

