

# THE OKLAHOMA PUBLIC EMPLOYEES RETIREMENT SYSTEM

## REQUEST FOR PROPOSAL

#515-12-156

### INVESTMENT CONSULTING SERVICES

The Board of Trustees of the Oklahoma Public Employees Retirement System (OPERS) is soliciting proposals from investment consulting firms to provide investment and financial consulting services on a contractual basis. OPERS administers two defined benefit plans including the Oklahoma Public Employees Retirement System and the Uniform Retirement System for Justices and Judges (URSJJ), as well as two defined contribution plans, the Oklahoma State Employees Deferred Compensation Plan (DCP), and the Oklahoma State Employees Deferred Savings Incentive Plan (SIP). The purpose of this Request for Proposal (RFP) is to provide information about OPERS and establish the specifications and requirements for submitting a proposal. The term “Vendor” as used in this RFP shall mean the company, firm or individual submitting proposals for consideration.

OPERS reserves the right to reject any or all proposals submitted. There is no express or implied obligation for OPERS to reimburse Vendors for any expenses incurred in preparing proposals in response to this RFP. In the event that none of the proposals are satisfactory to OPERS, no selection will be made. Proposals submitted in response to this RFP become the property of OPERS and are subject to public inspection. OPERS reserves the right to modify the RFP contents and requirements at any time prior to the submission deadline.

This RFP is comprised of eleven (11) sections, and sixteen (16) pages total, as follows:

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This RFP can be found at the OPERS website at [www.opers.ok.gov](http://www.opers.ok.gov). If you are unable to download the document you can also obtain an electronic copy of this RFP through e-mail. Send your request to Jason Harjo at [jharjo@opers.ok.gov](mailto:jharjo@opers.ok.gov). Include the name of the RFP and the proposal number in your request. All responses to this RFP must be submitted in accordance with the instructions contained in the RFP. Electronic responses to this RFP will not be considered.

Regardless of the manner in which the RFP document is received by the Vendor, the contents of the RFP may not be altered in any way. The Vendor’s Affidavit and all questions must be identically reproduced in the submitted proposal. Any alterations to the contents of the RFP document will be grounds for rejection from consideration or termination of a resulting contract. By submitting a proposal, it is agreed

by the Vendor that any misleading or false information given may be grounds for rejection from consideration, or termination of any resulting contract whenever and however discovered.

**I. PROPOSAL COVER SHEET**

(must be signed, notarized and submitted with the original proposal)

Proposal Number	Agency Requisition Number	Proposal Deadline
# 515-12-156 (Investment Consulting Services)	12-156	must be received by <b>December 16, 2011</b>

Vendor Identification:

Name of Firm:	_____
Address:	_____
City/State/Zip Code:	_____
Telephone Number:	_____
Facsimile Number:	_____

**VENDOR'S AFFIDAVIT**

STATE OF \_\_\_\_\_ )  
 ) SS:  
 COUNTY OF \_\_\_\_\_ )

\_\_\_\_\_ (Print Name), of lawful age, being first duly sworn, on oath says that:

- (S)he is the duly authorized agent of \_\_\_\_\_, the vendor submitting this proposal which is attached to this statement for the purpose of certifying the facts pertaining to the existence of collusion among vendors and between vendors and state officials or employees, as well as facts pertaining to the giving or offering of things of value to government personnel in return for special consideration in the letting of any contract pursuant to the proposal to which this statement is attached;
- (S)he is fully aware of the facts and circumstances surrounding the making and submitting of this proposal and has been personally and directly involved in the proceedings leading to the submission of such proposals; and
- Neither the Vendor nor anyone subject to the Vendor's direction or control has been a party: a) to any collusion among vendors in restraint of freedom of competition by agreement to propose a fixed price or to refrain from submitting a proposal; b) to any collusion with any state official or employee as to quantity, quality or price in the prospective contract, or as to any other term of such prospective contract; nor, c) in any discussions between vendors and any state official concerning exchange of money or any other thing of value for special consideration in the award of this prospective contract; d) to paying, giving or donating or agreeing to pay, give or donate to any officer or employee of the State of Oklahoma, any money or other thing of value, either directly or indirectly, in procuring this prospective contract.
- The information contained in this proposal is true, correct and accurate as presented.

\_\_\_\_\_  
Name/Title

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

\_\_\_\_\_  
Notary Public

(seal)

My commission expires: \_\_\_\_\_

## II. MANDATORY REQUIREMENTS FOR SUBMITTING A PROPOSAL

- A. Proposals must be received by the deadline only at the following address:

**Oklahoma Public Employees Retirement System  
Investment Consulting Services Proposal  
Attention: Jason Harjo  
5801 N. Broadway Extension, Suite 400  
Oklahoma City, Oklahoma 73118**

- B. The deadline for receipt of proposals is **4:30 p.m.** Central Time, on December 16, 2011. Proposals submitted to the incorrect address or location or received after this date and time will be rejected and will not be considered.

- C. The original proposal must contain the proposal cover sheet, fully completed, signed and notarized. The Vendor shall submit an original printed version of its proposal, four (4) hard copies, and two (2) electronic versions of the complete proposal on two (2) CDs in PDF format. The CD must be clearly marked with the Vendor's name and proposal number.

The original proposal, the proposal cover sheet, four (4) hard copies, and the CDs must be submitted together in one completely sealed package, box or envelope. It must be clearly marked "OPERS Investment Consulting Proposal" on the outside face of the package containing the proposal in order that the receiving agent (see paragraph A above) can identify it without opening the package.

- D. Proposals may be either mailed or hand-delivered. If the proposal is sent by mail or express delivery service, the responding Vendor shall be responsible for actual delivery of the proposal to the proper address before the deadline. All timely proposals become the property of OPERS.
- E. All proposals, once opened, are considered to be public record and shall be available for viewing and reproduction by any person.
- F. In submitting this proposal, the Vendor must agree to an audit which provides that books, records, documents, accounting procedures, practices or any other items of the Vendor relevant to the proposal or the services provided there under, are subject to examination by OPERS and the Oklahoma State Auditor and Inspector.
- G. In an effort to clarify any issues in this RFP, OPERS will respond only to questions that are presented through e-mail. Questions should be submitted to Jason Harjo at [jharjo@opers.ok.gov](mailto:jharjo@opers.ok.gov). All questions and answers will be consolidated into a single Q&A document.

All questions must be received by **5:00 p.m.** Central Time on **December 2, 2011**. The Q&A document will be posted on the OPERS website at [www.opers.ok.gov](http://www.opers.ok.gov) on or after **December 9, 2011**. This will be the only distribution method for the Q&A document.

- H. It is the responsibility of the Vendor to ensure compliance with all requirements and deadlines. Proposals that are not in compliance with the RFP requirements may be rejected. All proposals will be reviewed to determine if they satisfy the mandatory criteria in this RFP. Proposals not satisfying the mandatory criteria will be rejected.

- J.** All costs of preparation and presentation associated with responding to this RFP will be the responsibility of the Vendor. Vendors may be asked to make a presentation before the Board if selected as a finalist. None of the costs associated with this presentation will be reimbursed by OPERS.
- L.** The selection of investment consultants for the state retirement systems is specifically exempt from the competitive bidding procedures established by Oklahoma Statutes (see 74 Oklahoma Statutes §85.7). OPERS reserves the right to request additional information from any vendor and to accept or reject any proposal without specifying the reason for its actions. OPERS reserves the right to request additional proposals. OPERS reserves the right to renegotiate for lower fees at any time with any Vendor.
- M.** The Board reserves the right to award all, part, or none of this contract. The Board reserves the right to award contracts to more than one investment consultant if deemed appropriate and desirable.
- N.** The Vendor shall be bound by the information and representations contained in any proposal submitted. Said proposal is deemed to be a binding offer on the part of the Vendor.
- O.** Submission of a proposal in response to this RFP evidences the Vendor's acceptance of the terms and conditions within the RFP.
- P.** OPERS prohibits the payment of a finder's fee in any form. The Vendor must certify that no finder's fee or finder's commission has been paid or shall be paid to any individual or organization from the establishment of this investment consulting relationship with OPERS.
- Q.** All Vendors must:
  - 1.** Acknowledge and agree to be a fiduciary to the plan pursuant to Section 909.2 of Title 74 of the Oklahoma Statutes.
  - 2.** Agree that any resulting investment consulting contract and services will be subject to and interpreted by Oklahoma law.
  - 3.** Agree that this RFP and the Vendor's response will be incorporated by reference to any resulting investment consulting agreement.
  - 4.** Answer, to the best of its abilities, all questions in this RFP in a succinct manner and in the order presented. Do not add appendices to the end of this document unless specifically asked to do so. Please assume the term "current" herein refers to June 30, 2011 unless otherwise noted.
  - 5.** Fully disclose any proposed subcontracting of any of the required services.

### **III. BACKGROUND INFORMATION**

#### **A. Legal Authorization**

The Board of Trustees of the Oklahoma Public Employees Retirement System (OPERS) and the Uniform Retirement System for Justices and Judges (URSJJ) is charged with the investment of approximately \$6.5 billion in combined defined benefit retirement funds for public employees in addition to the administration of two defined contribution plans – the Oklahoma State Employees Deferred Compensation Plan and the Oklahoma State Employees Savings Incentive Plan (jointly referred to as “SoonerSave”). Total assets in the SoonerSave plans were approximately \$500 million. The OPERS/URSJJ investment authorization (statutory provisions generally related to portfolio composition and the types of investments which the Systems could use) is set forth in 74 O.S. Sections 909.1 and 909.2. The statutory provisions generally related to SoonerSave are set forth in Sections 1701 et seq., of Title 74 of the Oklahoma Statutes.

**B. Board Composition**

OPERS is administered by a Board of Trustees composed of 13 members including a member of the Corporation Commission, the Administrator of the Office of Personnel Management or designee, the State Insurance Commissioner or designee, the Director of State Finance or designee, a member of the State Tax Commission, three members appointed by the Governor, one member appointed by the Supreme Court, two members appointed by the Speaker of the House of Representatives, and two members appointed by the President Pro Tempore of the State Senate.

**C. Support Services**

OPERS has an authorized staff of 63 employees. The Executive Director is the chief administrative officer of OPERS.

**D. Allocation of Assets**

The asset allocation target mix for OPERS and URSJJ as of June 30, 2011, as adopted by the Board at its April 2008 meeting, is as follows:

**TARGET MIXES FOR OPERS and URSJJ:**

	<b>TARGET</b>
Large Cap Domestic Equities	35%
Small Cap Domestic Equities	5%
International Equities	24%
Fixed Income	36%
Cash Equivalents	0%

**E. Investment Services Providers**

The investment managers listed below manage the equities, cash, and fixed income portfolios for both OPERS and URSJJ. Although there are no investment manager searches planned during the next year, responding Vendors should anticipate that there could be one or more searches if needed.

**Company Name****Type of Investment**

Northern Trust Company	Custodial Bank, Securities Lending, and Commission Recapture Services
Great-West/Benefits Corp	SoonerSave Recordkeeper
Aronson+Johnson+Ortiz	Large Cap Value Equity
Blackrock Institutional Trust	Equity Index
Barrow, Hanley, Mewhinney, & Strauss, Inc.	Small Cap Value Equity
BlackRock Financial Management.	Constrained Core Fixed Income
Mellon Capital Management	Domestic Enhanced Equity Index
Hoisington Investment Management	Fixed Income Interest Rate Anticipator
TCW/Metropolitan West Asset Management	Core Plus Fixed Income
Mondrian Investment Partners	International Equity
State Street Global Advisors	Domestic Enhanced Equity Index
DePrince, Race & Zollo	Small Cap Value Equity
UBS Global Asset Management	Small Cap Growth Equity

SoonerSave is currently administered in an un-bundled arrangement with Great-West Retirement Services providing the recordkeeping for all investment options. Participants are offered 19 mutual funds managed by various fund families and a Stable Value Fund currently managed by Great-West. SoonerSave investment options are selected by the OPERS Board of Trustees in accordance with the SoonerSave Investment Policy. The investment options offered through SoonerSave are:

**Company Name****Type of Investment**

SoonerSave Stable Value Fund	Stable Value Fund
T. Rowe Price High Yield Fund	Bond Fund
T. Rowe Price Spectrum Income Fund	Bond Fund
T. Rowe Price Balanced Fund	Balanced Fund
American Century Income & Growth Fund	Large Cap Equity Fund
Blackrock S&P 500 Stock Fund	Large Cap Equity
T. Rowe Price Blue Chip Fund	Large Cap Equity
T. Rowe Price Total Equity Market Index Fund	Large Cap Equity
American Century Vista Advisor Fund	Mid Cap Equity
Artisan Mid Cap Value Fund	Mid Cap Equity
Columbia Acorn Fund	Mid Cap Equity
Perkins Small Cap Value Fund	Small Cap Equity
Blackrock Small Cap Growth Fund	Small Cap Equity
American Funds EuroPacific Growth Fund	International Equity
T. Rowe Price Emerging Markets Stock Fund	International Equity
Vanguard Target Retirement 2010 Fund	Target Date Fund
Vanguard Target Retirement 2020 Fund	Target Date Fund
Vanguard Target Retirement 2030 Fund	Target Date Fund
Vanguard Target Retirement 2040 Fund	Target Date Fund
Vanguard Target Retirement 2050 Fund	Target Date Fund

Services of System vendors (e.g., investment managers, master custodian, defined contribution recordkeeper, investment consultant) are competitively bid through an RFP process. With the exception of the RFP for investment consulting services, the Investment Consultant is expected to work with Staff to conduct each of these RFP/search assignments.

#### **F. Investment Guidelines**

A copy of the current “Statement of Policy Guidelines and Investment Objectives” for OPERS and URSJJ, and the “SoonerSave Investment Policy and Guidelines” are available on the OPERS website at [www.OPERS.ok.gov](http://www.OPERS.ok.gov).

### **IV. SCOPE OF ASSIGNMENT**

OPERS is seeking the services of a general investment consultant to provide consulting advice relating to all investment activities of OPERS, URSJJ, and the SoonerSave plans. The Investment Consultant works directly with the staff, primarily the Chief Investment Officer, to coordinate the presentation of routine and special topics to the Investment Committee and Board of Trustees. The Investment Consultant will be responsible for preparing and presenting all supporting materials. Currently OPERS master custodian, Northern Trust, calculates all performance results for OPERS pension investments. The Investment Consultant will be expected to use these performance results from the custodian to produce quarterly performance reports.

The Investment Consultant will be responsible for presenting quarterly performance reviews of the defined benefit plans at the Board meeting. The Investment Consultant will work with OPERS investment managers and custodian to compare and aid in the reconciliation of performance results.

The Investment Consultant will aid OPERS in monitoring compliance with the Investment Policy as well as suggesting changes thereto. The Investment Consultant will be expected to monitor and report to the Chief Investment Officer any material developments impacting investment managers retained by OPERS. Additionally, the Investment Consultant will be expected to attend any special meetings as needed and to work with the Chief Investment Officer to assist in the research of any special topics beyond those identified below.

OPERS retains external firms to provide various investment-related services. Currently these services include investment management, securities lending, commission recapture, DC plan administration and global custodian. Other investment-related external service providers, though none is currently anticipated, may be required by OPERS.

If OPERS determines that an investment-related external services provider search is needed, the Investment Consultant will work with the Chief Investment Officer to construct the RFP, evaluate responses, and prepare and present a detailed report to document the search. The report would include a detailed chronology of the search along with evaluation methodology, exhibits and recommendations. On-site visits with Staff and Board members in conjunction with searches may be requested.



The Investment Consultant will review and evaluate all SoonerSave investment options at least annually. The Investment Consultant shall also assist in the selection of replacement investment options as necessary.

The Investment Consultant will provide the Consultant’s Report required for the Investment Section of the annual Comprehensive Annual Financial Reports (CAFRs) for OPERS and URSJJ.

Once every six years, the Investment Consultant works with the Chief Investment Officer to coordinate OPERS preparation of and participation in the Annual Oklahoma Public Fund Trustee Education Conference.

**V. CRITERIA AND QUALIFICATIONS OF THE INVESTMENT CONSULTING FIRM**

A. Vendors should have substantial experience consulting to public defined benefit and defined contribution plans. The following criteria will apply and exceptions will not be granted:

1. Investment consulting must represent your firm’s (including all affiliates) focus and only line of business. If the vendor derives revenue from other sources of business (i.e. investment management, brokerage, or from the sale of services to investment managers, etc) it will be deemed as having failed to meet the minimum criteria.
2. The proposed investment consultant must have acted as full service consultant to at least 3 (three) public pension plans, each with at least \$1 billion in assets, as of June 30, 2011.
3. The senior investment professionals in charge of the proposed consulting services must have at least ten years of institutional experience within the industry.

B. The fee quotes set forth in the response to the RFP will be a significant factor in determining semi-finalists for further consideration.

C. Investment Guidelines

The “Statement of Policy Guidelines and Investment Objectives” for OPERS/URSJJ and SoonerSave may be found on the OPERS website ([www.opers.ok.gov](http://www.opers.ok.gov)).

**VI. TIMELINE**

The following timeline is an estimate and may be adjusted at OPERS discretion any time during this procurement process.

TASK	DATE
Distribution of RFP	November 17, 2011
Deadline for questions submitted in writing via e-mail (no later than 5:00 p.m. Central Time)	December 2, 2011
Date for answers to questions	December 9, 2011
Proposals due (no later than <b>4:30 p.m.</b> Central Time)	December 16, 2011

Finalist presentations (if necessary)	January 19, 2012
Award business	
Estimated contract start date (date contingent upon final negotiations)	July 1, 2012

**VII. COMMUNICATION WITH OPERS**

In an effort to clarify any issues in this RFP, OPERS will respond only to questions that are presented as described in Section II.G above. Vendors are responsible for checking the website periodically for updates to the RFP. Telephone questions will not be accepted.

OPERS policy prohibits direct contact between prospective service providers and OPERS Board members, consultants, or staff during this RFP process. This does not include communication with OPERS incumbent investment consultant for normal business not related to this selection process. From the date of release of this RFP until a Vendor is selected and a contract is executed and approved, all contacts and communications regarding this RFP are restricted to the Q&A process. Exceptions include communications with the OPERS staff member identified in Section II.G and OPERS staff members who are designated to conduct negotiations, participate in presentations, and contract award and execution, while they are engaged in those activities. Violation of these conditions may result in rejection of a Vendor’s proposal.

Vendors who have submitted a proposal will not necessarily be notified of the Board’s decision after the final selection has been made. The announcement of the preferred Vendor, if any, may be the only form of communication between the System and the Vendors. Telephone or other inquiries concerning this proposal after the proposal deadline are discouraged.

**VIII. GENERAL TERMS AND CONDITIONS**

**A. Applicable Laws and Courts**

This solicitation and any resulting contract shall be governed in all respects by the laws of the State of Oklahoma, and any litigation with respect thereto shall be brought in the District Court of Oklahoma County, Oklahoma. The Vendor shall comply with all applicable federal, state and local laws, rules and regulations.

**B. Ethics in Public Contracting**

By submitting their bids or proposals, Vendors certify that their bids/proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other Vendor, supplier, manufacturer or subcontractor in connection with their bid/proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of value, in exchange for procuring this contract.

**C. Qualifications of Vendors**

OPERS may make such reasonable investigations as deemed proper and necessary to determine the ability of the Vendor to perform the services/furnish the goods, and the Vendor shall furnish to OPERS all such information and data for this purpose as may be requested. OPERS reserves

the right to make a site visit at the offices of the Vendor prior to award to satisfy questions regarding the Vendor's capabilities. OPERS further reserves the right to reject any proposal if the evidence submitted by, or investigations of, such Vendor show that the Vendor is not properly qualified to carry out the obligations of the contract and to provide the services and/or furnish the goods contemplated therein.

D. Business Continuity

The Vendor must indicate any recent or anticipated changes in its corporate structure such as mergers, acquisitions, new venture capital, stock issue, etc. The Vendor agrees to present to OPERS a business continuation plan for the services provided in this contract in the event of a natural or other disaster.

E. Assignment of Contract

The contract shall not be assignable by the Vendor in whole or in part without the written consent of OPERS.

F. Period of Contract

It is anticipated that the initial contract shall begin on July 1, 2012. Thereafter, the contract may be renewed by the Board annually for up to four additional one-year contract periods, at the Board's discretion. The Board of Trustees reserves the right to terminate the contract upon 30 days notice, with or without cause.

G. Ownership of Data and Work Product

There is a presumption that all work product generated for OPERS under this contract, as well as all data compiled by the Vendor while performing this contract, shall become the sole property of OPERS. OPERS must be given reasonable access to all such work product or data compiled by the Vendor in the performance of this contract.

H. Limitation of Liability, Hold Harmless Clauses & Indemnity

The State of Oklahoma and its agencies are constitutionally barred from limiting the liability of a private Vendor. Agencies are similarly prohibited from holding a private entity harmless from liability or providing indemnity to a private entity. The contract between the successful Vendor and OPERS will not have any such terms.

I. The Vendor must agree and the contract shall provide that the fee for investment consulting services is the same or lower than fees the Vendor charges to other clients of similar funds and accounts. In the event the Vendor agrees to charge any other client a lower fee for management of similar funds or accounts, the Vendor will reduce its fee to the Board to the same extent. It is Vendor's responsibility to notify the Board of the existence of any fee agreements which are lower than the fees agreed upon. The Board shall reserve the right to ask for periodic fee review reports. The Board shall be entitled to a retroactive fee reduction in the event the Vendor fails to promptly notify the Board of any lower fee agreements.

## IX. QUESTIONNAIRE

A. Organization

1. List your firm’s name, address, and year founded, as well as the name, title, telephone, email address and facsimile numbers for the individual(s) responsible for new business contacts.
2. Describe the firm’s ownership structure. Discuss the financial condition of your firm based on the most recently audited financial statements and annual report.
3. Describe the services your firm provides and disclose all sources of revenue (organized by line of business).
4. Provide an organizational chart for your firm and specifically for your investment consulting and research divisions.
5. Has your firm undergone any restructuring or had any major organizational changes during the past eight years? Do you anticipate any ownership or organizational changes during the next two years? If so, explain.
6. Describe your succession plans for the management of the firm and the continuity of leadership within the investment consulting team.
7. Over the past five years, has your organization, affiliates, parent company, officers or principals been involved in litigation, legal proceedings, or SEC investigations related to your firm’s activities? If so, provide a brief explanation including the current status and/or the resolution of this action.
8. Describe the compensation/incentive structure for the consulting professionals and/or the professional staff.
9. For each of the last five years, provide the following information regarding the firm’s number of investment professionals. Provide the roles of these individuals as well.

Year Ending June 30	Investment Professional Additions	Investment Professional Departures	Total Investment Professionals
2011			
2010			
2009			
2008			
2007			

10. Detail the team members who would be responsible for OPERS consulting relationship. The answer should include a brief biography of each professional.
11. Discuss the individuals’ (listed above) account responsibilities, specifically the number of accounts managed, location and dollar value of assets under management. How are new accounts assigned to each consultant at the firm?

12. Has the firm experienced turnover at the senior management level in the last five years? If so, describe the situation including reason for departures/additions.
13. Does the firm receive direct or indirect compensation from any party other than consulting clients? Disclose any existing, perceived or potential conflicts of interest in regard to your consulting advice. How does the firm manage conflicts of interest (be specific)?

**B. Consulting Services**

1. Is your firm capable of fulfilling all of the items in Section IV Scope of Assignment and be a named fiduciary of the System?
2. Detail the client profile of the firm using the format below.

**A. ENTIRE CONSULTING GROUP – Number of plans** in each category:

Size (millions \$)	Public DB Plan	Corporate DB Plan	DC Plan	Endowments/ Foundations	Other
0-500					
501-1,000					
1,001-10,000					
Over 10,000					

**B. PROPOSED CONSULTANT ONLY - Number of plans** in each category:

Size (millions \$)	Public DB Plan	Corporate DB Plan	DC Plan	Endowments/ Foundations	Other
0-500					
501-1,000					
1,001-10,000					
Over 10,000					

3. Provide the approximate firm-wide client turnover using the format below.

	2011 YTD	2010	2009	2008
# of Clients Gained				
Assets (\$MM) Gained				
# of Clients Lost				
Assets (\$MM) Lost				

4. Specify the investment professionals (up to ten) who you consider key to managing the OPERS relationship.

Key Investment Professionals				
Name	Title/Current Responsibilities	Years With	Years of Industry Experience	% Time Devoted to Consulting/



19. Describe the firm's flexibility in customizing client reports. Provide an example of a typical client reporting package (this should be attached to section XI).
20. What is the typical turn-around time for client reporting, expressed in days after period end?
21. Provide three references for the largest public fund clients who employ your firm. Include a contact name, phone number, and the market value of the assets your firm advises for each reference at inception and currently.
22. Provide the name, contact name, and phone number of three past consulting clients that terminated your firm during the last three years, the reason for termination and the dollars advised at the termination date.
23. Is your firm an SEC registered advisor or is it exempt from registration? If applicable, submit a copy of your most recent Form ADV, Parts I and II.?
24. Does the firm carry errors and omissions insurance? If so, what is the level of coverage?
25. Does the firm carry fiduciary liability insurance? Is so, what is the level of coverage?

## **X. FEE QUOTE**

The fee quote set forth in the response to the RFP will be a significant factor in determining the successful Vendor. In responding to this RFP you are required to quote your fees according to the terms as specified in the following format. The format is a fixed fee quote and applies to all assets administered by the System. No language may be altered and you acknowledge that you understand our fee calculation methodology by submitting your bid. You are encouraged to have your legal counsel approve our terms prior to submitting your RFP. By submitting a proposal you are agreeing to accept our prescribed fee calculation methodology.

The proposal should include the fee for the initial contract period of July 1, 2012 through June 30, 2013, and annual fee amounts for each of four years starting on the contract anniversary date of July 1st. This fee should be inclusive of the complete range of investment consulting services including travel and other out-of-pocket expenses and is the only fee that OPERS will pay.

You may make the following assumptions in your fee estimate:

- The primary consultant is required as part of the contract to attend eight (8) regularly scheduled Board meetings per year.
- Four quarterly performance reports are required each year for OPERS and URSJJ. Base your quote using rates of return calculated by OPERS custodian for all pension accounts.
- Regular periodic comprehensive investment manager reports as listed in the *Scope of Assignment* in Section IV.

- At least one Asset Allocation Study – normally performed once every three years with the next scheduled study to be done in May of 2014.
- Special research projects – estimate three over the next five years.
- All other anticipated projects as covered in the *Scope of Assignment* in Section IV.

State any additional assumptions required for the quote.

	Total Fee
Initial Contract Period	
Year 1	
Year 2	
Year 3	
Year 4	

**XI. Example of Client Reporting Package**

Attach an example of the monthly or quarterly (specify) client reporting package here.