



Request for Proposal

Investment Legal Counsel

Proposals must be received no later than 5:00 p.m.
Thursday, July 6, 2017

Contra Costa County Employees' Retirement Association
1355 Willow Way Suite 221
Concord, CA 94520
(925) 521-3960
cccera.org

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Contra Costa County Employees' Retirement Association
Investment Legal Counsel
REQUEST FOR PROPOSAL (RFP)

SECTION 1 - INVITATION

The Contra Costa County Employees' Retirement Association (CCCERA) is soliciting request proposals from private U.S. law firms to provide investment legal services, primarily drafting, review and negotiation of investment management agreements, fund documents and side letters.

Please note that securities litigation is handled under separate contracts and is not the subject of this RFP.

CCCERA is seeking a complete response from firms who can demonstrate that they possess the organizational and functional capabilities to offer and perform the services, and meet or exceed the requirement and service levels specified herein.

CCCERA intends to create a pool of pre-qualified law firms to utilize on an as-needed basis.

SECTION 2 – GENERAL INFORMATION

2.1 INTRODUCTION

CCCERA is a public employee retirement system established by the County of Contra Costa on July 1, 1945. The association is administered by the CCCERA Board of Retirement to provide service retirement, disability, death and survivor benefits for county employees and 16 other participating agencies under the County Employees Retirement Law of 1937 (CERL) and the California Public Employees' Pension Reform Act of 2013 (PEPRA). CCCERA is also governed by the California Constitution and the regulations, procedures and policies adopted by CCCERA's Board. The Contra Costa County Board of Supervisors may also adopt resolutions, which affect benefits of CCCERA members as permitted by CERL.

CCCERA's current investment portfolio is approximately \$7.7 billion in assets (as of March 31, 2017). The assets are managed through a diversified long-term investment program overseen by the Board of Retirement in accordance with CCCERA's investment policy.

Please note that the CCCERA Board has recently adopted a target asset allocation that includes large allocations to illiquid asset classes and will be implementing these mandates over the next several years. It is currently anticipated that the investment legal counsel will assist CCCERA in negotiating a relatively large number

of private equity engagements. Additionally, the CCCERA Board may include a hedge fund allocation in the Diversifying sub-portfolio in the future, though no determination has been made to do so at this time.

The current long-term targets to each asset class are noted below:

	Current Target	Long Term Target
Liquidity	23.4%	25.0%
Cash	1.4%	1.0%
Short Duration Fixed Income	22.0%	24.0%
Growth	70.6%	63.0%
Domestic Equity	16.6%	6.0%
Global & International Equity	27.8%	20.0%
Private Equity	9.6%	12.0%
Private Credit	2.4%	16.0%
Real Estate	9.2%	9.0%
High Yield	5.0%	-
Diversifying	6.0%	12.0%

Further information about CCCERA can be obtained from cccera.org.

2.2 ISSUING OFFICE AND SUBMITTAL LOCATIONS

Each firm must submit its proposal and all submitted documents via email in a single electronic document counselrfp@cccera.org. The subject of the email should state **“INVESTMENT LEGAL COUNSEL RFP.”**

In addition, each firm shall provide four (4) copies of their proposal and all submitted documents, delivered to CCCERA. The outside of the sealed envelope should state **“INVESTMENT LEGAL COUNSEL RFP”** and shall be addressed to the location below.

Submittal Address:

CCCERA
1355 Willow Way, Suite 221
Concord, CA 94520

Proposals must be received by 5:00 p.m. PDT on Thursday, July 6, 2017.

2.3 RFP SCHEDULE

CCCERA anticipates the following timeline for receiving and evaluation of the proposals and selecting a firm.

Event

RFP issued: June 9, 2017
Written questions from proposers due: June 19, 2017
Responses to questions provided by: June 23, 2017
Proposal due date: July 6, 2017
Interviews conducted: Week of August 7-11

2.4 WRITTEN QUESTIONS

Proposers requiring clarification of the intent and content of the RFP may submit written questions to CCCERA by the deadline noted in Section 2.3.

Written Questions:

Email: counselrfp@cccera.org

2.5 NO CONTACT

No contact with CCCERA board members and CCCERA staff regarding the contents of this RFP will be allowed during the pendency of this RFP, unless otherwise expressly provided herein.

2.6 NO REIMBURSEMENT FOR RFP EXPENSES

CCCERA will not provide reimbursement for any fees, expenses, or other costs incurred in connection with this RFP including the costs of preparing the response, providing any additional information and attending an interview or interviews. All material submitted in response to this RFP will become the sole property of CCCERA. CCCERA expressly reserves the right to utilize any and all ideas submitted in the proposals received unless covered by legal patent or proprietary rights.

2.7 INTERVIEWS

Interviews may be conducted at CCCERA's discretion. All firms selected for interview will be notified of the interview date(s) at least one week in advance.

2.8 CONFIDENTIALITY

All responses to this RFP become the property of CCCERA and will be kept confidential until such time as a recommendation for award of a contract has been announced. Thereafter, submittals are subject to public inspection and disclosure under the California Public Records Act. If a respondent believes that any portion of its submittal is exempt from public disclosure, such portion may be marked "confidential." CCCERA will use reasonable and legally permissible means to ensure that such confidential information is safeguarded to the extent that CCCERA, in its independent judgment, concludes that the information is in fact exempt from disclosure, but CCCERA will not be liable for inadvertent disclosure of

such materials, data and information. Proposals marked "confidential" in their entirety will not be honored and CCCERA will not deny public disclosure of all or any portion of submittals so marked.

By submitting information with portions marked "confidential", the respondent represents it has a good faith belief that such material is exempt from disclosure under the California Public Records Act and agrees to reimburse CCCERA for, and to indemnify, defend and hold harmless CCCERA, its officers, fiduciaries, employees and agents from and against: (a) any and all claims, damages, losses, liabilities, suits, judgments, fines, penalties, costs and expenses including, without limitation, attorneys' fees, expenses and court costs of any nature whatsoever (collectively, "Claims") arising from or relating to CCCERA's non-disclosure of any such designated portions of a proposal if disclosure is deemed required by law or court order.

SECTION 3 – SCOPE OF WORK

3.1 INTRODUCTION

CCCERA is seeking a complete response from firms who can demonstrate that they possess the organizational and functional capabilities to offer and perform the services, and meet or exceed the requirements and service levels herein.

CCCERA and the selected firm will execute a final contract incorporating this RFP, the firm's proposal in response to this RFP, a comprehensive list of all deliverables and mutually agreed upon services to be performed by the firm, applicable firm documentation, and fee schedule.

3.2 SERVICES TO BE PROVIDED

The Proposer must be able to provide all of the services listed below unless otherwise indicated:

Proposal must include responses to the following questions:

- A. Review, draft and/or negotiate investment management contracts, limited partnership agreements, side letters, and other investment-related documents.
- B. Provide advice on investment-related tax issues, as requested.
- C. Represent CCCERA in investment-related litigation, if requested.
- D. Provide advice on other various issues, including but not limited to California, U.S. and foreign laws and regulations that apply to CCCERA's investment activities and holdings.
- E. Provide other legal services as may be requested from time to time.

3.3 MINIMUM QUALIFICATIONS

- A. The firm must have at least five years of experience providing investment legal counsel to public pension funds with assets in excess of \$1 billion.
- B. The lead attorney(s) proposed to provide services to CCCERA must have at least eight years of experience providing investment legal counsel to institutional investors.
- C. The following insurance policies providing a minimum of the following must be in effect at the time the proposal is submitted and throughout the term of the agreement, with a certificate of insurance provided to CCCERA prior to contract execution (the following types of insurance must cover the firm, its employees and agents):
 - i. Liability, professional errors and omissions insurance in the amount of \$3 million, or
 - ii. Malpractice insurance in the amount of \$3 million.
 - iii. Broad form comprehensive general liability insurance covering bodily injury and property damage, with automatic coverage for premises, and operations. The policy must be endorsed with contractual liability coverage.
 - iv. Automobile bodily injury and property damage liability insurance.
 - v. Insurance coverage shall be a minimum of \$1,000,000 per occurrence. If coverage is written with an annual aggregate limit, the aggregate limit shall not be less than \$1,000,000.

3.4 ETHICS IN PUBLIC CONTRACTING

By responding to this RFP, Proposers certify that their proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other Proposer, supplier, manufacturer or subcontractor in connection with their proposal, that they have not conferred upon 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, and that they have not in any material and substantive way interacted regarding this procurement, at any time including prior to this RFP's release, with any official having responsibility for it (including without limitation any member of CCCERA's legal or investment staff, executive management, or Board) except in the manner and at the times prescribed herein.

SECTION 4 – PROPOSAL REQUIREMENTS

4.1 PROPOSAL REQUIREMENTS

In order to be considered for this project, each firm must deliver its proposal and all submitted documents to the locations identified in Section 2.2, by July 6, 2017, 5:00 p.m. PDT.

4.2 PROPOSAL FORM

Proposals shall be printed double-sided, and prepared in a simple, economical manner, with the sections tabbed to match those in the RFP, and with all pages numbered within each section. The proposal shall be prepared succinctly, providing a straightforward, concise description of the firm's ability to meet the requirements of the RFP.

Proposals and fee schedule shall be valid and binding for ninety (90) days following the proposal due date and will become part of the contract that is negotiated with CCCERA.

Failure to complete any question or request for information, in whole or in part, or any deliberate attempt by the firm to mislead CCCERA, may disqualify the firm. Each firm shall provide the following in addition to describing their qualifications and commitment to providing the required scope of services.

4.3 PROPOSAL CONTENT

A complete proposal shall include the following elements:

- A. Section 1: Cover Letter: A cover letter on the Proposer's official business letterhead, which shall be considered an integral part of the proposal package, shall be signed by the individual(s) who is (are) authorized to bind the Proposer contractually. This cover letter must indicate the signer is so authorized and must indicate the title or position the signatory holds in the proposing business. An unsigned proposal may be rejected. The letter must identify all materials and enclosures being forwarded collectively as a response to this RFP. The letter shall also contain the following:
 - i. A representation that the attached proposal is complete as submitted, and warrant that the Proposer has met all of the minimum qualifications specified in Section 3.3.
 - ii. The Proposer's name, address and telephone number.
 - iii. A statement to the effect that the proposal is a firm and irrevocable offer good for 60 days from the proposal due date.

- iv. A statement describing the services proposed and expressing the Proposer's willingness and ability to perform the services as described in this RFP.
- v. The name, title, and telephone number of the Proposer's primary representative and contact person regarding the RFP and any resulting contract.
- vi. The Proposer's Federal Employer Identification Number.
- vii. A statement to the effect that the Proposer is not currently under investigation by any regulatory agency, state or federal, for any reason, and has not, within the five years immediately preceding submission of the proposal, been found to have violated any law or regulation related to the conduct of its business by any court of law, regulatory body, or professional oversight body.
- viii. Certification of non-discriminatory practices in the Proposer's services.
- ix. Identification of any sections of the proposal that the Proposer wishes to designate as confidential. Proposers should note that CCCERA is a public agency, and that submitted proposals will become public documents when an award is scheduled for final approval by the Board. Legitimate designations of trade secrets or otherwise non-public information will be honored, and material will be redacted as appropriate from any public release of information if, in the reasonable opinion of CCCERA, such designations are in compliance with applicable law, including but not limited to the California Public Records Act and the Ralph M. Brown Act. Attempts to designate an entire proposal as confidential are not valid and will NOT be honored.
- x. A statement certifying that the quoted prices are genuine and not the result of collusion or any other activity which would tend to directly or indirectly influence the process, and the proposal is being made without fraud or collusion; that the Proposer has not offered or received any finder's fees, inducements or any other form of remuneration, monetary or non-monetary, from any individual or entity related to the RFP.
- xi. A statement that discloses the nature of any personal or business relationships (including any negotiations for prospective business) that the Proposer or any of its employees, partners, or agents now have, or have had in the past five years, with the any CCCERA Retirement Board member or CCCERA staff.
- xii. A statement providing full disclosure of: (i) any prior commitments of Proposer which could potentially interfere with its ability to perform the services required by this RFP; (ii) any prior or current work, clients, or litigation which could result in a conflict of interest for the Proposer, should it be engaged to perform legal services for CCCERA; and (iii) any business affiliations or professional associations that could potentially pose a conflict of interest for the Proposer, should it be engaged to perform investment legal services for CCCERA. The statement must also acknowledge the requirement of ongoing and timely disclosure of any existing or potential conflicts of interest that would impact the Proposer's independence, perceived independence, or its ability to fully

perform the tasks outlined in this RFP, will be a continuing requirement for the life of the contract.

- B. Section 2: Introduction and Statement of Understanding: An overall introduction to the proposal response including a statement of the firms understanding of the project.
- C. Section 3: General Qualifications: The firm shall provide a brief organizational history or background, including number of locations, employees, and clients. The firm shall give a brief summary outlining their ability to perform the work including contact information for the primary contact and the person responsible for contract negotiations, if different.
- D. Section 4: The firm shall provide the names/companies of at least 3 similar systems that the firm has worked with during the last 3 years, including a contact name, telephone number and email address.
- E. Section 5: Detailed Scope of Services: Detailed scope of services, following requirement guidelines and deliverables discussed herein.
- F. Section 6: Questionnaire: Proposer shall complete the Questionnaire (Section 4.4 below). Completeness, clarity and brevity are stressed in the RFP response. The Proposer should address the items in the RFP in the order in which they appear in the RFP. Further, each question number and question in the RFP shall be repeated in its entirety before stating the answer.
- G. Section 7: Fee Schedule: Describe in detail the billing rates, practices and policies of your firm that would apply if your firm were engaged to serve as CCCERA's investment legal counsel. Please attach a sample retainer agreement or engagement letter for a public pension client. The proposed fee shall include all costs for providing services to CCCERA as described in this RFP and shall be guaranteed for five years. The Proposal may propose escalation of fees throughout the initial five-year term. Once the service provider(s) is/are selected, the fees may be further refined depending on factors which may affect the proposed fee(s). In no case will the final fee(s) be higher than the fee(s) contained in the proposal.
- H. Section 8: Sample professional services agreement and certificate(s) of insurance, with the following types of insurance, cover the firm, its employees, and agents:
 - i. Liability, professional errors and omissions insurance in the amount of \$3 million, or
 - ii. Malpractice insurance in the amount of \$3 million.
 - iii. Broad form comprehensive general liability insurance covering bodily injury and property damage, with automatic coverage for premises, and operations. The policy must be endorsed with contractual liability coverage.

- iv. Automobile bodily injury and property damage liability insurance.
- v. Insurance coverage shall be a minimum of \$1,000,000 per occurrence. If coverage is written with an annual aggregate limit, the aggregate limit shall not be less than \$1,000,000.

4.4 Questionnaire

Proposers interested in responding to this RFP must submit the following information, in the order specified below:

Background

1. The name, address, telephone number, email address, and facsimile number of the person authorized to represent the Proposer with respect to all notices, negotiations, discussions, and other communications relating to this RFP, and to any further selection process.
2. An overall description of Proposer's firm or company, including its history, organization structure, legal structure, ownership, financial condition, the major practice areas, and the total number of employees. If any significant changes are anticipated, please describe.
3. Information about the number of years that Proposer has been handling the type of work described in this RFP. Give specific details with regard to the nature of services provided, with special attention to public sector experience.

Staff

4. Identify Proposer's staffing model for the services.
5. Identify the key personnel who will be directly assigned to provide services under the RFP, and their role within the Proposer's organization, their responsibilities for handling this relationship, their experience, qualifications and any specialized expertise, including the number of years providing the services under this RFP.
6. Include brief resumes. Identify whether any attorney intended to provide services to CCCERA has ever been disciplined or censured by any regulatory body or court. If so, provide the relevant facts.

Qualifications

7. Describe the Proposer's experience and qualifications to provide the work described in this RFP, including recent instances in which Proposer has provided similar services to public pension plans of a fund size comparable to or larger than CCCERA. With respect to those engagements, please describe Proposer's specific role in performing the work, the name of the client(s),

number of years serving the client(s), and, if applicable, the names of the attorneys in charge of the client(s).

8. Identify the international jurisdictions in which the Proposer is most experienced, and the basis for that experience.
9. Describe the Proposer's knowledge of California law and applicable open meeting and public records laws and statutes specific to public pension fund investments.
10. Describe why Proposer and its services are superior to other firms providing these services and Proposer's competitive advantage, if any.

Miscellaneous

11. Do you anticipate any potential conflicts of interest issues for your firm in representing CCCERA? If so, please describe them and how you propose to resolve them. If your firm represents investment managers, please list and describe those relationships and describe how you would mitigate those potential conflicts in particular.
12. Please describe your approach to managing fund document negotiations such that there is good alignment between value added and the costs of service. In this regard, please describe any alternative or nontraditional billing arrangements you have used or are open to using. In addition, where less experienced lawyers are utilized and/or are involved in CCCERA's work for training purposes, please describe how you allocate such costs fairly between the client and the firm.
13. Provide the limits of Proposer's insurance coverage, including insurance carriers. Identify whether the coverage is on a per client basis, or whether the dollar figure is applied to the firm as a whole. Identify all deductibles or self-insured retentions.
14. Discuss any additional information that Proposer would like CCCERA to know about Proposer that may impact consideration of Proposer as a potential service provider to CCCERA.

SECTION 5 – PROPOSAL SELECTION AND EVALUATION

5.1 GENERAL INFORMATION

Each proposal will be judged on its completeness and quality of its content. CCCERA reserves the right to reject any or all proposals and are not liable for any costs the firm incurs while preparing the proposal. All proposals will become part of the public file, without obligation to CCCERA. Upon the completion of the evaluations, CCCERA intends to negotiate a contract with the firm whose proposal is deemed to be most advantageous to CCCERA.

5.2 ORAL PRESENTATIONS AND INTERVIEWS

Firms may be selected to make an oral presentation of their proposal to CCCERA. Such presentation shall provide an opportunity for firms to clarify their proposal to ensure thorough mutual understanding. CCCERA may interview the firms and ask additional questions related to the proposal and the scope of work. CCCERA will schedule the time and locations. Firms invited to give a demonstration will be responsible for making and paying for their own travel arrangements.

5.3 SCORING AND EVALUATION CRITERIA

Proposals will be judged on completeness and quality of content. CCCERA is seeking to contract with a firm that has the appropriate qualifications using appropriate technology and methodology to ensure delivery of a high quality product, and that has extensive demonstration experience with, and an understanding of, similar projects.

CCCERA reserves the right to determine the best qualified firm and negotiate a final scope of service and cost, negotiate a contract with another firm if an agreement cannot be reached with the first selected firm, or reject all proposals. The selected firm will be required to enter into a professional services contract with CCCERA, which will incorporate the scope of service as part of the agreement.

CCCERA assumes no liability or responsibility for costs incurred by firms in responding to this request for proposal, or responsibility for costs incurred by firms in responding to this request for proposal, or for requests for interviews, additional data, or other information with respect to the selection process, prior to the issuance of an agreement, contract, or purchase order.

It is the intention of CCCERA to enter into a long-term relationship with the selected firm(s). Therefore, multiple factors will be weighed to determine the awarded firm; price is not the sole criteria in determining the best solution for CCCERA.

SECTION 6 – CONTRACT REQUIREMENTS

6.1 CONTRACT AWARD

The award of a contract is accomplished by executing a contract with a written agreement that incorporates the entire RFP, firm's response, clarifications, addenda, and additions, including the mutually agreed upon services and compensation. All such materials constitute the contract documents.

- A. All proposals must be irrevocable for 90 days and signed by an authorized officer of the agency.
- B. CCCERA at any time, in its sole discretion, may terminate its contract with the selected agency(s), or postpone or delay all or any part of the contract, upon written notice to the selected agency(s).

6.2 CONTRACT REQUIREMENTS

The firm must be covered by Workers' Compensation Insurance, which will extend to and include work in California. In addition, the firm must also submit documents addressing general liability insurance, automobile and collision insurance, and an indication that there is no conflict of interest on the part of the firm's submission of a proposal for the services being solicited under this RFP. The firm shall demonstrate willingness and ability to provide a Certificate of Insurance within ten (10) days of the Notice of Contract Award.

6.3 CONTRACT PERIOD

The contract term is anticipated to be for a three year period. CCCERA may, in its sole discretion, terminate the contract at any time during that term. CCCERA may, in its sole discretion issue up to two, one-year extensions of the contract. CCCERA makes no representation as to the amount of labor, if any, that may be given to any approved provider during the contract period.

6.4 CONTRACT APPROVAL

CCCERA's selection of one or more successful proposer(s) shall not be binding until it has been approved by CCCERA's Chief Executive Officer.

6.5 CONTRACT SUPPLIES

The selected firm agrees to comply with applicable federal, state, city and local ordinances, statutes, rules and laws governing these projects.

The selected firm agrees that it shall not assign, subcontract, sell, or transfer rights, or delegate responsibilities under his RFP or award, in whole or in part, without the prior written consent of CCCERA. No such written consent shall

relieve the respondent of any obligations of this RFP or award and the firm shall remain liable as between the original parties to the RFP or award as if no assignment, subcontract, sale, or transfer or delegation had occurred.

BILLINGS AND PAYMENT

Statements for materials, services and/or labor must include complete information and shall be submitted to:

CCCERA
1355 Willow Way, Suite 221
Concord, CA 94520

Payment shall be made within 30 days of acceptance of invoice.