

**Contra Costa County Employees' Retirement Association
("CCCERA")
Request for Proposal to Provide
Other Post-Employment Benefit ("OPEB") Trust Fund
Management Services**

Issue Date: June 4, 2018

The Contra Costa County Employees' Retirement Association ("CCCERA") invites organizations to submit proposals on providing Other Post-Employment Benefit ("OPEB") Trust Fund Management Services. This Request For Proposal ("RFP") seeks to identify those organizations who offer Internal Revenue Service ("IRS") Code Section 115 Retirement Trust services to California local government agencies.

**SECTION I
BACKGROUND**

CCCERA is a contributory defined benefit pension plan covering the employees of the County of Contra Costa and other participating agencies pursuant to the County Employees Retirement Law of 1937, California Government Code Section 31450, *et seq.* CCCERA was established on July 1, 1945, to provide retirement allowances and other benefits to the safety and general members employed by Contra Costa County.

Currently, Contra Costa County and 16 other participating agencies are members of CCCERA. The participating agencies include:

Bethel Island Municipal Improvement District
Byron, Brentwood, Knightsen Union Cemetery District
Central Contra Costa Sanitary District
Contra Costa County Employees' Retirement Association
Contra Costa Housing Authority
Contra Costa Mosquito and Vector Control District
First 5 - Children & Families Commission
In-Home Supportive Services Authority (IHSS)
Local Agency Formation Commission (LAFCO)
Rodeo Sanitary District
Superior Court of Contra Costa County
Contra Costa Fire Protection District
East Contra Costa Fire Protection District
Moraga-Orinda Fire Protection District
Rodeo-Hercules Fire Protection District
San Ramon Valley Fire Protection District

In addition, CCCERA administers retirement, disability, or survivor benefits to retirees or beneficiaries of the following former participating agencies:

Alamo-Lafayette Cemetery District
City of Pittsburg
Delta Diablo Sanitation District
Diablo Water District
Ironhouse Sanitary District
Kensington Fire Protection District
Superintendent of Schools - Contra Costa County Office of Education
Stege Sanitary District

CCCERA, with its own governing board, is an independent governmental entity separate and distinct from the County of Contra Costa. The 12 member Board of Retirement is responsible for the general management of CCCERA. Of the twelve members, three are alternates, one for the appointed members, one for safety, and one for retirees. Five Board members are appointed by the Contra Costa County Board of Supervisors, one as an alternate. Four Board members, including the safety alternate, are elected by CCCERA's active membership. Two Board members are elected by the retirees, one as an alternate. The County Treasurer serves as an ex-officio member. Board members, with the exception of the County Treasurer, serve three year terms in office, with no term limits.

Effective January 1, 2015, CCCERA became the direct employer for its entire staff. CCCERA's Post-Retirement Health Care Plan is a single-employer defined benefit healthcare plan administered by the California Public Employees' Retirement System ("CalPERS"). The Plan provides healthcare insurance benefits to eligible retirees. CCCERA contributes the Public Employees' Medical Hospital Care Act ("PEMHCA") minimum required employer contribution. Based on established requirements outlined in the Memorandum of Understanding or CCCERA Resolution some employees are eligible to receive additional retiree medical employer contributions.

CCCERA's current authorized position count is approximately 60 full-time equivalent personnel. As of January 1, 2017, CCCERA's Net OPEB liability amounted to about \$7.6 million.

SECTION II SCOPE OF SERVICES

CCCERA requests proposals related to the establishment of a Governmental Accounting Standards Board ("GASB") qualified Other Post-Employment Benefits Trust by:

1. Performing discretionary portfolio management including investing and reinvesting funds in accordance with those objectives and guidelines, and all applicable laws and regulations.

2. Keeping complete records of all transactions with regard to investment of funds, monitoring performance, and providing for periodic reports to CCCERA.
3. Providing statements, portfolio analysis, and performance comparisons monthly, quarterly, and annually or as agreed upon by CCCERA.
4. Receiving ongoing contributions into the Trust and processing requests for distributions.
5. Advice and consultation; throughout the contract period the firm must be available during regular business hours to provide informal advice and consultation on matters relating to the 115 Trust. Advice may include but is not limited to the analysis of funding options, asset allocation and strategies, and trust design. The firm will be expected to keep CCCERA updated on Trust related issues and developments pertaining to Federal and State tax code requirements and changes in financial reporting pronouncements issued by GASB. A senior staff member will be responsible for responding to CCCERA within one business day.
6. Board meetings: the firm shall make available up to four times per year a senior staff member to attend Board meetings and/or financial advisory committee meetings for the purpose of discussing the Trust's performance and strategies.

SECTION III GENERAL INFORMATION

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.

Due Date

Seven printed copies of your proposal in a sealed package or packages and one electronic copy including all submitted documents sent to info@cccera.org are due no later than **5:00 p.m. on July 9, 2018**. All packaged proposals must be delivered to:

CCCERA
1355 Willow Way Suite 221
Concord CA 94520
Attention: Deputy CEO

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.

Interviews

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

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 retainer agreement has been announced. Thereafter, submittals are subject to public inspection and disclosure under the California Public Records Act. If a responding organization 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 responding organization 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 IV PROPOSAL REQUIREMENTS

Following is a list of the information to be provided. A proposal that does not include the information required below may be deemed non-responsive and subject to rejection.

In setting forth its qualifications, each organization shall provide, in concise but adequate detail, the information sought below. Responses shall be limited to 10 single-sided pages, not including appendices.

General Submission Requirements

1. A transmittal letter signed by an official authorized to enter into contracts for the organization should refer to this RFP by title and date. It should include the name and number of a contact person.
2. Provide evidence that the organization meets legal requirements to provide trust services in the State of California.
3. Provide evidence and reporting artifacts to show that the proposed trust program reporting is compliant with the requirements of GASB Statements 74 and 75.
4. Provide a sample of a statement, portfolio analysis, or performance comparison.

Qualifications and Experience

1. A brief description of the organization and its various business functions;
2. A description of the qualifications and previous experience on similar or related projects including performance history;
3. Brief resumes for the key staff members assigned, including professional qualifications and experience related to trust management;
4. Contact information of three local government agencies for which the organization provides or has provided similar services (agency name, contact individual, mailing address, phone number and email address);
5. A description of the relationship, qualifications and experience of any subcontractors to be used in administering trust services.

Rates, Costing and Billing Information

1. Provide a complete schedule of fees (one-time or recurring) for all services including, but not limited to:

- a. Investment management fees including policy development, asset allocation recommendation, asset management (including underlying fund or manager fees), and funding analysis.
 - b. Trust document and trustee/custodial services (including asset balance based fees).
 - c. Any income your company would receive from this mandate other than directly from the proposed fees to CCCERA.
 - d. Other management, administrative, or transaction fees.
2. State any special considerations with respect to billing or payment of fees and expenses that your organization offers and that you believe would differentiate it from other Responders and make your organization's services more cost effective to CCCERA.
 3. CCCERA expects to receive the lowest rate charged by your organization for its governmental and/or non-profit clients. If for any reason your organization is not prepared to do so, please indicate your reasons.

Business approach/philosophy

A description of your business approach and philosophy of providing OPEB trust management services including how this would be most appropriate for CCCERA. Please describe any services that would be provided by a third party and if so describe the manner in which the third party would be compensated.

Trust and fiduciary services

A description of the legal form of the trust, the services it provides, and how trust administrative transactions such as contributions and distributions will be controlled and executed.

Investment Services

A description of the OPEB investment, advisory, and management services offered including information on your investment policy and asset allocation policy. Describe the content, format, and frequency of investment result reporting. Please comment on whether these reports will be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) pronouncements.

Implementation

Describe key tasks, project milestones, dates and responsibilities for implementing the trust, including reports, services or data to be provided by CCCERA. Identify assumptions used in developing the service implementation schedule.

Financial Stability

Provide your latest financial statement and describe in detail the financial history and resources of your organization. Disclose any settlements or legal claims where litigation is currently pending or has occurred against your organization within the last five years.

SECTION V EVALUATION AND SELECTION

Evaluation Criteria

CCCERA will evaluate the responses and make a recommendation to the full CCCERA Board for approval. The evaluation committee will consider the following factors:

1. Understanding of the services required.
2. Quality, clarity and responsiveness of proposal.
3. Proposed fees¹.
4. Information provided by client references.
5. Demonstrated competence and professional qualifications necessary for successfully performing the work required.
6. Background and related experience of the principal individuals to be assigned to provide services.
7. Approach in providing services including trust and investment options.
8. Interviews, if conducted.

¹ Although proposed fees will be given significant weight in the selection process, CCCERA reserves the right to negotiate with any organization selected, lower fees or a different fee structure.

Selection Process

CCCERA will initially review all responses to determine responsiveness. Any response that does not address all requested requirements or is incomplete will be rejected.

CCCERA will evaluate all responses based on the criteria stated above. The evaluation committee may afford organizations the opportunity to clarify responses for the purpose of assuring a full understanding of their responsiveness to the RFP.

CCCERA may conduct interviews with organizations found to be most qualified to perform the services required, based upon the criteria listed in this RFP. If so, the organizations will be notified in advance of the proposed interview date.

All responding organizations will be notified in writing once one or more organizations have been selected and approved.

SECTION VI RESPONSE INSTRUCTIONS AND CONDITIONS

1. This RFP does not commit CCCERA to award a contract, pay any costs incurred in the preparation of a response, or procure or contract for services of any kind whatsoever. CCCERA reserves the right, in its sole discretion, to negotiate with any or all organizations considered, or to cancel this RFP in whole or in part.
2. Responding organizations may be requested to clarify the contents of their response.
3. A responding organization may be required to participate in negotiations and to submit hourly fee, price, costing, technical or other revisions to its response which may result from such negotiations.
4. All material submitted in response to this RFP will become the sole property of CCCERA.

Response Submission

Responses **must** include a cover letter indicating the mailing address of the office from which the response is submitted, the name of the individual who will represent the organization as the primary contact person for the response, and the telephone, fax and e-mail information of the primary contact person.

Administrative Specifications

1. All responses must be irrevocable for 180 days and signed by an authorized officer of the organization.

2. Successful responding organizations must agree to provide CCCERA with audit access on request during the term of the contract and for 7 years thereafter.
3. CCCERA at any time, in its sole discretion, may terminate its contract with the selected organization, or postpone or delay all or any part of the contract, upon written notice to the selected organization.

SECTION VII CONTRACT APPROVAL

CCCERA's selection of a provider shall not be binding until it has been approved by CCCERA's Board of Retirement.