



Orange County Employees Retirement System

Request for Proposal

For

Executive Recruitment: Managing Director of Investments

January 2012

Section 1: Introduction

The Orange County Employees Retirement System (OCERS) is seeking consulting services to conduct an executive recruitment for the position of Managing Director of Investments. The selected consultant will be responsible for reviewing and offering suggested improvements to the current position description, assessing and providing recommendations (if any) for our current Investment Department structure, and conducting an executive search to fill the position of Managing Director of Investments.

Section 2: Project Background

Recognizing OCERS Investment Department was small for a plan fund of its size, and requiring the current team to focus on day-to-day management, in 2010 the OCERS Board of Retirement approved the creation of a new executive position: Managing Director of Investments. This position is charged with developing an innovative, long-range, and comprehensive investment vision and strategy for the OCERS portfolio. Additional responsibilities include overseeing the performance of the three-member Investment Department staff and fostering a team environment.

Section 3: Overview of OCERS Investment Department

OCERS was established in 1945 under the provisions of the County Employees Retirement Law of 1937, and provides members with retirement, death, disability, and cost-of-living benefits. There are approximately 40,000 members served by OCERS, of which more than 13,000 members are retirees. The Board of Retirement consists of nine members, of whom four are appointed by the County's Board of Supervisors, four are elected by the members of OCERS (two by the general members, one by the safety members and one by the retired members), and the County's Treasurer is an ex-officio member. There is also an elected alternate safety member.

The Board of Retirement is responsible for establishing policies, regulations and guidelines for the investment of the assets of the pension fund. The Investment Department is responsible for the administration and management of the investment program in accordance with those policies, regulations, and guidelines. Working with outside investment consultants, they hire and monitor external investment managers who invest funds in a diversified portfolio; at this time OCERS Investment Department does not actively invest, but it is a possibility in the future. OCERS Investment Department is responsible for the interface with investment managers, including monitoring investment performance objectives, adherence to investment guidelines, conducting due diligence visits to investment managers, and interviewing prospective investment managers. The Investment Department is also responsible for the interface with outside investment consultants in reviewing and evaluating all investment managers' performance and investment manager fees, as well as the system's asset allocation.

OCERS Investment Department is comprised of four positions:

- Managing Director of Investments (1) – reports to the Chief Executive Officer
- Director of Investment Operations (1) – reports to the Managing Director of Investments
- Investment Analyst (2) – report to the Director of Investment Operations

OCERS' portfolio, currently valued at \$8.8 billion, is invested in a well-diversified and comparatively conservative allocation strategy. The fund realized a positive return of 18.51% for the year 2009, 11.7% in 2010, and .74% in 2011.

The entire OCERS Board of Retirement meets on the 4th Wednesday of every month in their role as the Investment Committee. The committee assists in providing direction for the investment portfolio.

Section 3: General Information

All terms, conditions, requirements and procedures included in the RFP must be met for a response to be qualified as responsive. A submission that fails to meet any material term, condition, requirement or procedure of this RFP may be deemed unresponsive and disqualified. OCERS reserves the right to waive or permit cure of non-material errors or omissions. OCERS reserves the right to modify, amend or cancel the terms of the RFP at any time. All responses must be submitted in accordance with the specific terms of this RFP.

Section 4: OCERS' Point of Contact

From the date of issue of this RFP until the executive search firm is selected and the selection is announced, executive search vendors are not permitted to communicate, for any reason, with any OCERS staff or Board member regarding this procurement, except through the Point of Contact named herein. For violation of this provision, OCERS shall reserve the right to disqualify the offending vendor from further participation in this procurement.

The Point of Contact for questions and all matters relating to this RFP is:	
Name:	Sally Koltunik
Title:	Human Resources Manager
Address:	2223 E. Wellington Ave., Suite 100 Santa Ana, CA 92701
Telephone:	(714) 558-6228
Email:	skoltunik@ocers.org

Executive search firm proposals are due by 5:00 PM on February 17, 2012 and are to be received by OCERS office, marked to the attention of the above-listed Point of Contact

within this timeframe. It is the responsibility of the executive search firm to ensure that the proposal arrives on or before the time and date written herein. Failure to comply with this provision will result in disqualification of the RFP response.

Section 5: Vendor Questions Regarding RFP

Executive search firms may submit questions regarding this RFP in writing to the Point of Contact named in Section 4 through February 10, 2012. Email is the preferred method of communication. All written questions must include the name of the firm and the person submitting the question(s). A compilation of all questions and answers, along with any RFP addenda, will be posted on OCERS website: www.ocers.org, no later than February 14, 2012.

Section 6: Scope of Work

OCERS seeks the services of a qualified executive search firm to assist with the following:

- Review and suggest modifications to the MDI position description
- Assess current Investment Department structure, and make recommendations for improvement
- Conduct executive search

Section 7: Vendor Response

Respondents to this RFP should submit responses in the following manner:

- Five (5) paper copies of the firm's proposal
- One electronic copy in either Microsoft Word or Adobe Acrobat formats
- Responses must be received on or prior to the deadline listed in Section 4

Section 8: Executive Recruitment Proposal

Proposals must include the following information, in any order:

- Description of your firm including location and number of years in business, scope of services and qualifications for this project
- Names and qualifications of the individuals in your organization who would be leading the project
- Framework of services for each deliverable of the project
- Project timeline
- List of successful executive investment level placement(s) with public pension plan(s)
- List of public pension plan(s) references where the firm has successfully completed executive investment level placement(s)

- Itemized list of fees and expenses
- A clear itemization of any options that are not included in the fees and expenses provided in Section 8G

Section 9: Review and Evaluation of Proposals

OCERS will convene a review panel to evaluate all proposals and develop recommendations to present to the Ad Hoc Committee, who will make the final recommendation to the full Board of Retirement. One or more of the respondents may be requested to make an oral presentation to the committee and/or the Board of Retirement. Preference will be given to firms who have successfully placed executive investment level position(s) with public pension plan(s).

Section 10: Right to Reject Proposal

By submitting a proposal, the search firm acknowledges that it has read this RFP, understands it, and agrees to be bound by its requirements unless clearly and specifically noted in the response submitted. OCERS reserves the right without prejudice to reject any and all responses.

Section 11: Incomplete Responses

If the information in the firm's response is deemed to be insufficient for evaluation, OCERS reserves the right to request additional information or to reject the submittal outright. False, incomplete or unresponsive statements in connection with a submittal may be sufficient for its rejection. The selection of the fulfillment of the requirements will be determined by OCERS and such judgment shall be final.

Section 12: Schedule of Events

Deliverable	Date	Time
Release of RFP	1/31/12	
Questions from vendors due	2/10/12	5:00PM PST
Answers to vendor questions posted	2/14/12	
RFP Submission deadline	2/17/12	5:00PM PST
Vendor Interviews (est.)	3/1/12 – 3/9/12	
Vendor Selection (est.)	3/12/12/- 3/14/12	
OCERS Board of Retirement approval (est.)	3/19/12 (if needed)	

OCERS reserves the right to modify this schedule at any time.