



## **Orange County Employees Retirement System**

**Request for Proposal**

**For**

**Executive Investment Recruitment Project**

**March, 2010**

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## Section 1: Introduction

The Orange County Employees Retirement System (OCERS) is seeking consulting services to conduct an executive recruitment for a newly created position: Assistant CEO of Investments. The selected consultant will be responsible for creating a position description, assess and provide recommendations (if any) for our current Investment Department structure, and conduct an executive search to fill the position of Assistant CEO of Investments.

## Section 2: Project Background

Recognizing OCERS current Investment Department is small for a plan fund of its size, and requiring the current team to focus on day-to-day management, on February 16, 2010 OCERS Board of Retirement approved the creation of a new executive position: Assistant CEO of Investments. This new position will be charged with developing an innovative, long-range, and comprehensive investment vision and strategy for the OCERS portfolio. Additional responsibilities will include overseeing the performance of the Investment Department staff.

## 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 38,932 members served by OCERS, of which 12,246 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, and the County's Treasurer is an ex-officio member. There is also an elected alternate 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; OCERS Investment Department does not actively invest. 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.

OCERS current investment Department is comprised of three staff:

- Chief Investment Officer (1) – currently reports to the Chief Executive Officer
- Investment Analyst (2) – reports to the Chief Investment Officer

OCERS' portfolio, currently valued at \$7.5 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.

There are two subcommittees, each comprised of four members of the Board of Retirement, that meet at least four times per year to assist in providing direction on OCERS investments:

- **Investment Committee:** oversees OCERS assets invested in domestic and international fixed income and equities
- **Real Estate/Alternative Investment Committee:** oversees OCERS assets invested in real estate, venture capital, and other private markets

### 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.

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**The Point of Contact for questions and all matters relating to this RFP is:**

<b>Name:</b>	Sally Koltunik
<b>Title:</b>	Human Resources Manager
<b>Address:</b>	2223 E. Wellington Ave., Suite 100 Santa Ana, CA 92701
<b>Telephone:</b>	(714) 558-6228
<b>Email:</b>	<a href="mailto:skoltunik@ocers.org">skoltunik@ocers.org</a>

Executive search firm proposals are due by 5:00 PM on March 31, 2010, 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 March 15, 2010. 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](http://www.ocers.org), no later than March 19, 2010.

## Section 6: Scope of Work

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

- A. Create position description
- B. Assess current Investment Department structure, and make recommendations for improvement
- C. Conduct executive search

## Section 7: Vendor Response

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

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

## Section 8: Investment Executive Recruitment Project Proposal

Proposals must include the following information, in any order:

- A. Description of your firm including location and number of years in business, scope of services and qualifications for this project
- B. Names and qualifications of the individuals in your organization who would be leading the project
- C. Framework of services for each deliverable of the project
- D. Project timeline
- E. List of successful executive investment level placement(s) with public pension plan(s)
- F. List of public pension plan(s) references that the firm has successfully completed executive investment level placement(s)
- G. Itemized list of fees and expenses
- H. 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

<b>Deliverable</b>	<b>Date</b>	<b>Time</b>
<b>Release of RFP</b>	3/2/10	
<b>Questions from vendors due</b>	3/15/10	5:00PM PST
<b>Answers to vendor questions posted</b>	3/19/10	
<b>RFP Submission deadline</b>	3/31/10	5:00PM PST
<b>Vendor Interviews (est.)</b>	4/1/10 – 4/9/10	
<b>Vendor Selection (est.)</b>	4/12/10 – 4/14/10	
<b>OCERS Board of Retirement approval (est.)</b>	4/19/10	

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