

# Risk Management System

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## Request for Proposal

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January 2025

**Orange County Employees Retirement System (OCERS)**

P.O. Box 1229

Santa Ana, CA 927021-(714)-558-6200

<http://www.ocers.org>

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# Section 1: Introduction

The Orange County Employees Retirement System (“OCERS”) is requesting proposals from qualified firms interested in providing a Total Fund risk system that will incorporate a comprehensive, multi-asset class, investment risk analysis software system to assist in systematically identifying, assessing, monitoring, and reporting on portfolio risk for the Total Fund.

Those who wish to be considered must submit their completed proposal by **5:00 p.m., PT, March 07, 2025**. Specific instructions for proposal submissions are contained in Section 7 of this RFP.

Questions about this RFP must be submitted in writing by **5:00 p.m., PT, February 14, 2025**, to OCERS’ Investments Team, by email at [investmentsrfp@ocers.org](mailto:investmentsrfp@ocers.org).

### **Intent to Respond**

*If your firm chooses to respond to this RFP, please submit the “Intent to Respond,” attached as [Exhibit “A”](#), via email to OCERS’ Investments Team, by **5:00 p.m., PT, February 14, 2025**. Failure to submit your Intent to Respond may disqualify your firm from submitting a response to this RFP.*

# Section 2: Background

OCERS was established in 1945 under the provisions of the County Employees Retirement Law of 1937, and provides members with retirement, disability, death, and cost-of-living benefits. There are approximately 51,000 members served by OCERS, of which over 20,000 are retirees. OCERS is governed by a nine-member Board of Retirement (“Board”) which has plenary authority and fiduciary responsibility for investment of moneys and administration of the retirement system. OCERS has over 109 employees and the Board appoints a Chief Executive Officer who is responsible for the management of the agency.

The OCERS’ investment portfolio is diversified globally and across multiple asset classes. Currently OCERS’ contributions from members and employers are largely sufficient to fund the retiree payrolls. OCERS invests in separate accounts, commingled vehicles, funds of one, funds of funds, limited partnerships, and co-investments through external investment managers. The Investment Committee has delegated to the Chief Investment Officer (CIO) the responsibility to manage the investment portfolio subject to Investment Committee approved policies.

As of September 30, 2024, OCERS’ portfolio had a net asset value of \$24.5 billion. OCERS’ asset allocation is as follows:

### **OCERS’ Current Asset Allocation**

<b>Asset Class</b>	<b>Current Allocation</b>	<b>Target Allocation</b>
<b>Global Public Equity</b>	48.7%	45.0%
<b>Private Equity<sup>1</sup></b>	15.7%	15.0%

Income Strategies	14.1%	17.0%
Real Assets <sup>2</sup>	12.7%	13.0%
Risk Mitigation	7.5%	10.0%
Unique Strategies	0.8%	0.0%
Cash	0.3%	0.0%

<sup>1</sup> The private equity asset class includes legacy private equity fund-of-funds and private debt. <sup>2</sup> The real assets asset class includes energy, infrastructure, agriculture, and real estate.

For additional information about OCERS' Investment Portfolio, asset allocation, and Investment Policy Statement, please refer to the OCERS website at [www.ocers.org/investments](http://www.ocers.org/investments).

### Section 3: Scope of Services and Requirements

The detailed scope of services for this engagement is outlined in the attached [Exhibit "B"](#) ("Scope of Services"). The primary objectives are to provide OCERS with a risk management system service for the management of the defined benefit public employee retirement plan.

The firm selected for this engagement will be expected to meet requirements that include, but are not limited to, the following:

1. The firm must have all necessary permits and licenses to perform the requested services, and must be bonded where applicable.
2. Minimum insurance coverage must include the following items, and proof of such insurance must be provided to OCERS prior to the commencement of work, on an annual basis, and upon request:
  - Commercial General Liability: \$2M per occurrence, \$2M aggregate
  - Workers Compensation: \$1M per occurrence, \$1M aggregate
  - Umbrella Liability: \$5M per occurrence, \$5M aggregate
  - Professional Liability: \$2M per occurrence, \$3M aggregate

OCERS must be listed as an additional insured on the above policies.

3. The firm shall provide all personnel, equipment, tools, materials, vehicles, supervision, and other items and services necessary to perform all services, tasks, and functions as requested in this RFP.
4. The initial term of the contract awarded pursuant to this RFP will be for a three (3) year period, with OCERS retaining the option to renew the contract, on an annual basis, for up to an additional three (3) years.

5. All work under the contract awarded shall be performed and all equipment furnished or installed in accordance with applicable safety codes, ordinances, and other regulations, including the regulations of the State of California, Division of Industrial Safety and the provisions of the California Labor Code, the Occupational Safety and Health Act of 1970, the California Occupational Health and Safety Act.
6. Minimum Qualifications  
All respondents are required to sign and return the “Minimum Qualifications Certification,” attached as [Exhibit “C”](#).

## Section 4: General Conditions

All terms, conditions, requirements, and procedures included in this RFP must be met for a proposal to be qualified. A proposal that fails to meet any material term, condition, requirement, or procedure of this RFP may be 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 this RFP at any time.

OCERS may modify this RFP prior to the date fixed for submission of a proposal by posting, mailing, emailing, or faxing an addendum to the respondents known to be interested in submitting a proposal. Failure of a respondent to receive or acknowledge receipt of any addendum shall not relieve the respondent of the responsibility for complying with the terms thereof.

A respondent’s proposal shall constitute an irrevocable offer for the 120 days following the deadline for submission of proposals. Reference to a certain number of days in this RFP shall mean business days unless otherwise specified.

All proposals submitted in response to this RFP will become the exclusive property of OCERS. Proposals will not be returned to respondents.

By submitting a proposal, the respondent acknowledges that it has read this RFP, understands it, and agrees to be bound by its requirements unless clearly and specifically noted in the proposal submitted.

## Section 5: Point of Contact and Quiet Period

A quiet period will be in effect from the date of issuance of this RFP until announcement of the selection of the risk management system providers under this RFP. During the quiet period, respondents are not permitted to communicate with any OCERS’ Investments Team or Board Member regarding this RFP except through the Point of Contact named herein. Respondents violating this quiet period may be disqualified at OCERS’ discretion. Respondents having current business with OCERS must limit their communications to the subject of such business.

OCERS’ normal business hours of operations are from 8:00 AM PT to 5:00 PM PT Monday through Friday, except for federal and state holidays.

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

<b>Name:</b>	OCERS' Investments Team
<b>Telephone:</b>	(714) 569-4884
<b>Email:</b>	<a href="mailto:investmentsrfp@ocers.org">investmentsrfp@ocers.org</a>
<b>OCERS Website:</b>	<a href="http://www.OCERS.org">www.OCERS.org</a>
<b>Status:</b>	See the OCERS website for status of the RFP and announcements. These items can also be found here: <a href="https://www.ocers.org/request-proposal">https://www.ocers.org/request-proposal</a>

## Section 6: RFP Schedule

The following timetable constitutes a tentative schedule for this RFP process. OCERS reserves the right to modify this schedule at any time.

<b>Deliverable</b>	<b>Date</b>	<b>Time</b>
<b>Release of RFP</b>	January 31, 2025	
<b>Intent to Respond / RFP Questions Deadline</b>	February 14, 2025	5:00 pm PST
<b>RFP Answers Posted*</b>	February 28, 2025	5:00 pm PST
<b>RFP Submission Deadline</b>	March 07, 2025	5:00 pm PST
<b>Interview of Semi-finalists (Virtual)</b>	April 22 - April 24, 2025	
<b>Interview of Finalists</b>	May 29, 2025	
<b>Service Award</b>	June 16, 2025	

\*Please be extremely diligent in checking your email for updates as OCERS may be posting answers to questions more frequently if we deem it necessary.

Proposals must be submitted electronically to the email address included under the Point of Contact identified in [Section 5](#) and delivered by the due date and time stated above in the RFP Schedule. Proposals may be submitted in either Microsoft Word or Adobe Acrobat PDF format.

## Section 7: Proposal Requirements

Proposals must include the following information:

1. The "Proposal Cover Page and Check List," attached as [Exhibit "D"](#).
2. The "Minimum Qualifications Certification," attached as [Exhibit "C"](#).
3. Response to the "Pricing Proposal", attached as [Exhibit "E"](#).
4. Response to the "Questionnaire", attached as [Exhibit "F"](#).
5. References. At least three (3) institutional investors with assets exceeding \$10 billion, preferably public pension plans, as references for whom the respondent has provided services similar to those included in the Scope of Services. Please include for each reference the individual point of contact, a summary of the work performed, and the length of time the respondent provided each service.
6. An executive summary that provides the respondent's background, experience, and other qualifications to provide the services included in the Scope of Services. The summary should identify respondent's competitive advantages and the reasons why the firm should be selected.
7. A description of the respondent including:
  - a. Brief history, including year the respondent firm was formed.
  - b. Ownership structure
  - c. Office locations
  - d. Organization chart
  - e. Number of employees
  - f. Annual revenues
  - g. Areas of practice including firm specialties, strengths, and limitations
8. Copies of any pertinent licenses required to deliver respondent's product or service (e.g., business license).
9. A list of clients where the firm is providing or has provided risk management services to public pensions.
10. The names and qualifications of fully trained and qualified staff that will be assigned to OCERS, including a detailed profile of each person's background and relevant individual experience.
11. An explanation of all actual or potential conflicts of interest that the respondent may have in contracting with OCERS.
12. A description of all past, pending, or threatened litigation, including malpractice claims, administrative, state ethics, disciplinary proceedings, and other claims against respondent and/or any of the individuals proposed to provide services to OCERS.
13. Any other information that the respondent deems relevant to OCERS' selection process.

## Section 8: Evaluation Criteria

Responses will be evaluated based upon the following:

1. Experience and reputation of the respondent.
2. Quality of the risk system proposed to provide services to OCERS, including data coverage, technology and software, staffing depth, experience, turnover, and compensation.
3. Quality of reports.
4. Pricing and value.
5. Delivery and payment terms.
6. Compliance with technical standards contained in this RFP.
7. The organization, completeness, and quality of the proposal.
8. Information provided by references.
9. Other factors OCERS determines to be relevant.

The factors will be considered as a whole, without a specific weighting.

OCERS may require one or more interviews including presentations by finalists with the OCERS' Investments Team.

If the information in the proposal is deemed to be insufficient for evaluation, OCERS may request additional information or reject the proposal outright at OCERS' sole discretion. False, incomplete, or unresponsive statements in connection with a proposal may result in rejection of the proposal.

## Section 9: Non-Discrimination Requirement

By submitting a proposal, the respondent represents that it and its subsidiaries do not and will not discriminate against any employee or applicant for employment on the basis of race, religion, color, national origin, ethnic group identification, mental disability, physical disability, medical condition, genetic information, marital status, ancestry, sex, gender, sexual orientation, gender identity, gender expression, age, or military and veteran status.

## Section 10: Notice Regarding the California Public Records Act and the Brown Act

The information submitted in response to this RFP will be subject to public disclosure pursuant to the California Public Records Act (California Government Code Section 6250, et. seq., the "Act"). The Act provides generally that all records relating to a public agency's business are open to public inspection and copying unless specifically exempted under one of several exemptions set forth in the Act. If a respondent believes any portion of its proposal is exempt from public disclosure or discussion under the Act, the respondent must provide a full explanation and mark such portion "TRADE SECRETS," "CONFIDENTIAL," or "PROPRIETARY," and make it readily separable from the balance of the response. Proposals marked "TRADE SECRETS," "CONFIDENTIAL," or "PROPRIETARY" in their entirety will not be honored, and OCERS will not deny public disclosure of all or any portion of proposals so marked.



By submitting a proposal with material marked “TRADE SECRETS,” “CONFIDENTIAL,” or “PROPRIETARY,” a respondent represents it has a good faith belief that the material is exempt from disclosure under the Act; however, such designations will not necessarily be conclusive, and a respondent may be required to justify in writing why such material should not be disclosed by OCERS under the Act. Fee and pricing proposals are not considered “TRADE SECRET,” “CONFIDENTIAL,” or “PROPRIETARY”.

If OCERS receives a request pursuant to the Act for materials that a respondent has marked “TRADE SECRET,” “CONFIDENTIAL,” or “PROPRIETARY,” and if OCERS agrees that the material requested is not subject to disclosure under the Act, OCERS will either notify the respondent so that it can seek a protective order at its own cost and expense, or OCERS will deny disclosure of those materials. OCERS will not be held liable, however, for inadvertent disclosure of such materials, data, and information or for disclosure of such materials if deemed appropriate in OCERS’ sole discretion. OCERS retains the right to disclose all information provided by a respondent.

If OCERS denies public disclosure of any materials designated as “TRADE SECRETS,” “CONFIDENTIAL,” or “PROPRIETARY”, the respondent agrees to reimburse OCERS for, and to indemnify, defend and hold harmless OCERS, its Boards, officers, fiduciaries, employees, and agents from and against:

1. 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 OCERS’ non-disclosure of any such designated portions of a proposal; and
2. Any and all Claims arising from or relating to OCERS’ public disclosure of any such designated portions of a proposal if OCERS determines disclosure is required by law, or if disclosure is ordered by a court of competent jurisdiction.

## **Section 11: Contract Negotiations**

OCERS will negotiate a contract with the successful respondents, the contract will contain such terms as OCERS, in its sole discretion, may require. In addition, the selected risk management system provider will agree that this RFP and the firm’s proposal will be incorporated by reference into any resulting contract. The final Scope of Services to be included in the contract will be determined at the conclusion of the RFP process.

This RFP is not an offer to contract. Acceptance of a proposal neither commits OCERS to award a contract to any respondent, nor does it limit OCERS’ right to negotiate the terms of a contract in OCERS’ best interest, including the addition of terms not mentioned in this RFP.

## **Section 12: Reservations by OCERS**

In addition to the other provisions of this RFP, OCERS reserves the right to:

1. Cancel or modify this RFP, in whole or in part, at any time.

2. Make such investigation as it deems necessary to determine the respondent's ability to furnish the required services, and the respondent agrees to furnish all such information for this purpose as OCERS may request.
3. Reject the proposal of any respondent who is not currently in a position to perform the contract, or who has previously failed to perform similar contracts properly, or in a timely manner, or for any other reason in OCERS' sole discretion.
4. Waive irregularities, to negotiate in any manner necessary to best serve the public interest, and to make a whole award, multiple awards, a partial award, or no award.
5. Award a contract, if at all, to the firm which will provide the best match to the requirements of the RFP and the service needs of OCERS in OCERS' sole discretion, which may not be the proposal offering the lowest fees.
6. Request additional documentation or information from respondents, which may vary by respondent. OCERS may ask questions of any respondent to seek clarification of a proposal or to ensure the respondent understands the scope of the work or other terms of the RFP.
7. Reject any or all proposals submitted in response to this RFP.
8. Choose to not enter into an agreement with any of the respondents to this RFP or negotiate for the services described in this RFP with a party that did not submit a proposal.
9. Determine the extent, without limitation, to which the services of a successful respondent are or are not actually utilized.
10. Defer selection of a bidder to a time of OCERS' choosing.
11. Consider information about a respondent other than, and in addition to, that submitted by the respondent.

## Exhibit A: Intent to Respond

If you choose to submit a proposal in response to this RFP, please submit this Intent to Respond to OCERS' Investments Team via email no later than **5:00 p.m., PT, February 14, 2025**. Failure to submit your Intent to Respond may disqualify your firm from submitting a proposal.

OCERS' responses to written requests for clarification or additional information will be provided to all firms that have submitted an Intent to Respond.

**From:**

<b>Firm Name</b>	
<b>Contact Name</b>	
<b>Title</b>	
<b>Phone Number</b>	
<b>Email Address</b>	
<b>Date</b>	

**To:** OCERS' Investments Team

**Email:** [Investmentsrfp@ocers.org](mailto:Investmentsrfp@ocers.org)

**Re:** Intent to Respond

Our firm intends to submit a response for OCERS' RFP for **Risk Management System**.

Please forward inquiries to the following contact:

<b>Contact Name</b>	
<b>Title</b>	
<b>Phone Number</b>	
<b>Email Address</b>	
<b>Mailing Address</b>	

## Exhibit B: Scope of Services

The purpose of this RFP is to select a comprehensive, multi-asset class, investment risk analysis system to assist in systematically identifying, assessing, monitoring and reporting on key risk drivers for the OCERS Total Fund. The solution should cover all the major asset classes within the Total Fund and enable a comprehensive view of aggregate total risk and active risk across the portfolio and within each asset class. The system should inform OCERS' analysis of the performance of existing external asset managers as well as potential new external asset managers.

Through this search, OCERS seeks to procure software that will enable the Investments Division to generate risk reports and analysis for the benefit of the Investments team and potentially for the Board.

A broad framework of the RFP is listed below:

- Integration of manager holdings and benchmark information across all asset classes including: equities, fixed income, private equity, hedge funds, real assets and real estate. The ideal solution would provide the ability to integrate position details across all managers, holding all asset classes within a business day;
- Source and aggregate data from various vendors including custodian, consultants, investment managers, fund of funds and various service providers;
- Total risk, active risk, VaR, and factor exposures at the total fund, asset class, manager, and security level utilizing return-based and holding-based data;
- Decomposition analysis of total risk, active risk, VaR, and factor exposures at the total fund, asset class, manager, and security level;
- Capability to model and generate reports for investments in illiquid and private markets;
- Stress Testing: the ability to measure potential losses given certain historical or prospective events;
- Scenario analysis: the ability to measure potential losses or gains given certain scenarios;
- Portfolio reporting: risk and exposure with the capabilities of performance reporting;
- Reporting: asset level detail reports, individual manager level reporting, portfolio level reporting, Total Fund level reporting, and the ability to report by user defined groupings;
- Ability to create and run reports necessary to perform ad hoc analysis; and
- Comprehensive client support services and training offered both formally and on an ad-hoc basis.

## Exhibit C: Minimum Qualification Certification

All respondents submitting a proposal in response to this RFP are required to sign and return this attachment, along with written evidence of how the respondent meets each qualification.

The undersigned hereby certifies that it fulfills the minimum qualifications outlined below, as well as the requirements contained in the RFP.

### MINIMUM QUALIFICATION CERTIFICATION

(To be signed by an authorized person and returned with the RFP response)

All respondents submitting proposals for The total Fund risk system search must meet the following criteria.

Please answer yes or no to each of the following questions.

1. Must offer a multi-asset class, factor-based risk model appropriate for analyzing the risk and performance of a broad institutional portfolio invested globally in both public and private (liquid and illiquid) markets. The application must enable users to both identify risk and measure investment performance within asset classes and across multi-asset class portfolios.
2. Must have experience providing a comprehensive multi-asset class investment risk analysis system to institutional investors such as pension funds, endowments, or other large asset managers. The Proposing Firm must have at least five (5) such clients each overseeing assets in excess of \$20 billion.
3. Must identify and quantify risk to the following factors:
  - a. Index factors
  - b. Equity style factors
  - c. Interest rates
  - d. Credit spreads
  - e. Inflation factors
  - f. Foreign exchange
4. Must include tools for analyzing the following asset categories:
  - a. Public equities
  - b. Fixed income, including investment grade bonds
  - c. Credit, including high yield, emerging market debt, bank loans, and other illiquid credit strategies
  - d. Private equity
  - e. Private real estate
  - f. Hedge funds
  - g. Real assets, including private infrastructure and natural resources
5. Must offer technical support services including guidance in the configuration and use of the proposed product.
6. At least one key professional member of the firm assigned to the OCERS account must have a minimum of five years' experience in assisting clients with the implementation of risk oversight solutions.

7. Must allow for stress testing, scenario analysis, and value at risk at the sub-asset class, asset class, and total fund level.

**The undersigned hereby certifies that they are an individual authorized to bind the Firm contractually, and said signature authorizes verification of this information.**

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Authorized Signature

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Date

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Name and Title (please print)

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Name of Firm

## Exhibit D: Proposal Cover Page and Checklist

<b>Firm Name</b>	
<b>Main Address</b>	
<b>Website</b>	
<b>Contact Name</b>	
<b>Title</b>	
<b>Phone Number</b>	
<b>Email Address</b>	

***By submitting this response, the undersigned hereby affirms and represents that they have reviewed the proposal requirements and have submitted a complete and accurate response to the best of their knowledge. By signing below, I hereby affirm that the respondent has reviewed the entire RFP and intends to comply with all requirements.***

Respondent specifically acknowledges the following:

1. Respondent possesses the required professional and technical expertise and has sufficient capacity to provide the services outlined in the RFP.
2. Respondent has no unresolved questions regarding the RFP and believes that there are no ambiguities in the scope of services.
3. The fee schedule submitted in response to the RFP is for the entire scope of services and no extra charges or expenses will be paid by OCERS.
4. Respondent has completely disclosed to OCERS all facts bearing upon any possible interests, direct or indirect, that Respondent believes any member of OCERS, or other officer, agent, or employee of OCERS presently has, or will have, in this contract, or in the performance thereof, or in any portion of the profits thereunder.
5. Materials contained in the proposal and all correspondence and written questions submitted during the RFP process are subject to disclosure pursuant to the California Public Records Act.
6. Respondent is not currently under investigation by any state or federal regulatory agency for any reason. (if your firm is under investigation, please provide a short description).
7. Except as specifically noted in the proposal, respondent agrees to all the terms and conditions included in OCERS Services Agreement.
8. The signatory below is authorized to bind the respondent contractually.

Authorized Signature	Name and Title (please print)	Date
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## **Exhibit E: Pricing Proposal**

All respondents submitting a proposal in response to this RFP are required to prepare an explanation of the pricing proposal for the scope of work including pricing of fees and costs, billing practices, and payment terms that would apply.

OCERS does not place any limits on the approach to pricing and is open to presentation of more than one pricing alternative for the scope of work, or portions of it. This section of the response should include an explanation as to how the pricing approach(es) will be managed to provide the best value to OCERS.



## Exhibit F: Questionnaire

### Compliance, Conflicts, Insurance & Liability

#### A. STANDARDS OF CONDUCT

1. Does your firm have a written code of conduct or a set of standards for professional behavior? Please describe or attach as an Exhibit and cross-reference.
2. Within the last five (5) years, has your organization, an officer or principal, or any member of your proposed team been involved in professional discipline/censure, litigation or other legal proceedings relating to your investment or risk consulting assignments? If so, please provide an explanation and indicate the status.
3. Other than routine or periodic scheduled on-site reviews, has your firm ever been investigated or censured by any regulatory body? If so, please describe the situation and outcome.

#### B. CONFLICTS OF INTEREST

1. Are there any potential conflicts of interest issues that your firm would have in servicing OCERS? If so, please describe them.
2. Does your firm or any affiliates provide investment management, brokerage, trust, or actuarial services? If yes, how does your firm protect against conflicts of interest? Would your organization notify a client of any apparent or potential conflict of interest, regardless of whether it was required by regulations?
3. Does your firm hold or sponsor money manager or client conferences? If so, please list and describe all conferences your firm has held or sponsored in the past two years.
4. Have you or anyone in your firm provided any gifts, travel and room expenses, entertainment, or meals to any member of the OCERS' Board of Retirement or OCERS' Investments team during the past 12 months? If yes, please describe the amount and purpose of the expenses.
5. Are there any circumstances under which your firm or any individual in your firm receives compensation, finder's fees, or any other benefit from investment managers or third parties? If yes, please describe in detail.
6. Attest that your firm agrees that neither the firm nor any employee or owner of the firm will receive any commission or fee, directly nor indirectly, arising from securities in which OCERS invests.
7. Attest that your firm has not paid any "finder's fees" or commissions to any individuals not employed by the firm as it relates to this risk consultant search.

## Organization, Personnel, Clients & Resources

### C. FIRM INFORMATION

1. Please list your firm's complete name, address, telephone, and fax number. Include the name and title of your proposed primary consultant.
2. Please provide a brief history, going back to inception, of your firm and your parent organization, if different. Within the past three (3) years, have there been any significant developments in your organization, such as changes in ownership, restructuring, or personnel reorganizations? Do you anticipate significant future changes in your organization?
3. Describe the ownership structure of your organization giving specific details with regard to your parent and any affiliated companies. Include an ownership organizational chart showing this structure. Show and describe, if any, the distinct lines of business of your firm, which are in addition to your investment consulting line of business and the risk consulting group/team.
4. How long have you been delivering risk management system services?
5. Briefly describe the primary line(s) of business of your firm, your parent organization, and any affiliated companies. How many employees are involved in each line of business? Please provide a breakdown of the sources of your revenues firm-wide including businesses outside of risk management system and consulting.
6. Explain how the portfolio risk analytics/advisory/consulting business line at your firm evolved, and the business unit's organizational and staffing history.
7. Does your firm, its parent, or affiliate sell information or any other services to investment managers or consultants? If so, describe in detail.
8. Are you a registered investment advisor? What regulatory bodies routinely monitor your work?
9. Identify and explain all regulatory or legal issues, litigation, or client disputes relevant to this potential engagement including any issues that a board of fiduciaries would consider relevant given your experience with public funds and their fiduciary counsel.
10. Will you assume fiduciary responsibility in this engagement?
11. Describe your disaster recovery plan and facilities. When was your last live DR test, and what were the top two findings for potential improvement? Do you have any plans to change facilities in the next year?

12. What provisions exist if your business terminates, or is purchased by or merges with another company during the term of the contract?
13. Is your organization able to operate effectively when key locations are closed? If your service is limited due to a disruption, how will clients be prioritized?

## D. PERSONNEL

1. Provide an organizational personnel chart, across all offices, of the entire risk-related team of your firm’s business and its relationship to other operations. Show the number of employees, professional and support, in each function and location.
2. Describe your organizational or team structure as it relates specifically to this engagement, and identify key personnel, including a table showing experience and credentials of the professionals who will be assigned to OCERS’ relationship. Include in this table the estimated number of hours each professional will be expected to devote to this engagement in year one and in each year thereafter if different.

Provide one-paragraph resumes of the professional personnel who will work with OCERS, confer with Investments team regularly, and prepare any reports OCERS will receive.

3. Explain how the regularly assigned team would function, including the lead primary contact if different, back up personnel, quality control procedures and support services. Where is each team member located and what percentage of their time is devoted exclusively to risk management services similar to those required in this engagement?
4. How many client relationships will the primary contact have other than OCERS?
5. List any of your firm’s senior risk management team hires and departures over the last three (3) years. List all non-clerical personnel changes in the risk management group for this same period. For departures indicate the reason for leaving.
6. Describe your firm’s policy on changing service team personnel assigned to a project.

## E. CLIENTS

1. Please complete the following table with number of clients:

	<\$5B	\$5 - \$25 B	>\$25 B
<b>California 1937 Act Retirement System</b>			
Other Public Pension Plans			
Corporate Pension Plans			
Endowment, Foundation			
Family Office			
Other			
<b>Total Firm Assets by Client Base</b>			

2. List the five plans/clients you now serve in a capacity most similar to the scope of services requested in this RFP, including at least three public pension plans. Include their approximate portfolio size and number of internal staff.
3. Please provide the names of all risk-system clients who have terminated your firm's services or any risk-system client relationships from which you have resigned in the last three (3) years. For client, specify the plan type, asset size and the reason for termination or resignation.
4. List references from three (3) pension funds *for which you have provided comparable risk system services*. For each reference listed include client name, size of plan/portfolio, approximate number of underlying investment managers, approximate size of their staff, address, email address, telephone number, title, and name of contact person.

## **F. RESOURCES**

1. Are personnel available to work with clients on specific or special projects, if required? If OCERS should request additional service team time for special projects, please provide a schedule of hourly rates.
2. Describe the educational opportunities available to your client's Investment team with specific risk subject matter. Provide a list of your most recent published research relevant specifically to this engagement. Web links or periodical citations, and a one-sentence synopsis are preferred.

## Risk System

### A. OVERVIEW

1. Discuss your firm's philosophy for managing and monitoring investment risk and if the system was internally developed or acquired.
2. How has the system evolved since its inception? Provide a brief timeline of the development of your firm's risk management system.
3. Is your risk management system fully integrated, or does it consist of separate modules? If it is the latter, describe the functions of the separate modules. Discuss how your system is structured.
4. How do you envision your risk system evolving over time to support OCERS' plan growth and increasing sophistication? Please describe how your system can continue to add value as we transition to more advanced users. Additionally, are there options for add-on modules, features, or upgrades that can be implemented as our needs expand?
5. How flexible is the system in adapting to evolving business requirements and industry trends?
6. What are the differentiating factors of your risk system and why do you believe it has an edge over the competition?

### B. SYSTEM MAINTENANCE

1. Discuss your commitment to ongoing system development and model maintenance.
2. Provide an example of the most recent major enhancement or overhaul to the risk system and what prompted it. Provide a timeline of initiatives or improvements that have enhanced your system and have allowed you to remain competitive in the marketplace.
3. Describe the internal process by which model changes are initiated, developed, and implemented.
4. What is the formal approval process for model changes? Who has approval authority and is this person allowed to also override set model parameters (for example, in extreme market conditions)?
5. How are model changes and/or improvements communicated to the client?
6. Are client feedback and requests for system enhancements considered? If yes, what is the process for reviewing and implementing them? Describe how client input is collected, prioritized, and incorporated into the system.

## **C. IMPLEMENTATION**

1. Provide a detailed implementation project plan outlining the steps, tasks, timelines, estimated hours, milestones, deliverables, and the schedule for onboarding a new client.
2. Describe the level of involvement required of the OCERS' Investments team with regards to reviewing data from the custodian/investment managers/consultants or other third-parties.
3. Describe your experience with custodians, plan accounting providers, prime brokers, data/index providers, and third-party administrators in setting up and maintaining data feeds.
4. Provide the server and workstation technology requirements of your risk system.
5. Discuss the data requirements – list all security types supported in your system; what data is necessary for the system to be functional; source of data; what data providers are utilized and discuss instances where securities are not modeled by the providers; process used to handle securities/asset classes not modeled by the providers; what types of customized data modeling are offered for data not currently supported by your system; how are holdings uploaded to the system and pricing sources?
6. Describe the ongoing processes and efforts your firm has in place to manage data requests, loading, and reconciliation. Explain how these efforts ensure data completeness and accuracy.
7. Specify the level of internal resources OCERS will need in order to fully utilize the risk management system on an ongoing basis.
8. Describe the data upload tools provided to clients to facilitate independent or ad-hoc data uploads.
9. Are there additional costs for data licensing or other services not covered in the provided fee schedule? Additionally, are there any extra fees associated with reporting frequency, the types of securities analyzed, or the data sources used?
10. Discuss your past experiences where clients of your system are required to obtain additional licensing from third parties for data usage or redistribution. Provide examples or scenarios to illustrate how these situations were managed.

## **D. ANALYTICS AND REPORTING**

1. What risk models does your risk management rely on? Discuss the risk models, methodologies, and outputs for equities, fixed income, and alternative investments.
2. Does your system support risk modeling based on holdings data, and/or return data? Discuss the methodologies and process?

3. What risk metrics are included in your reports? List all the metrics your system calculates and describe the level at which those risk metrics are calculated (e.g., total fund, asset class, investment manager, security level).
4. Discuss the system's historical data retention and reporting capabilities. What are the standard lookback periods and length of horizon for models? Is that customizable?
5. Does the system support both Strategic Asset Allocation and a Total Portfolio Approach for modeling? Additionally, does the system support risk budget creation and modeling?
6. Does the system have forecasting capabilities? If so, what can it forecast?
7. List all the different models available to measure and monitor volatility and Value at Risk (VaR).
8. Describe how your system handles non-normal distributions of security returns and non-linear payoff instruments (e.g., options). Are there any limitations on the types of derivatives that can be modeled? If so, what are they?
9. Does your system have scenario analysis capabilities? Can these capabilities be customized? If so, describe the inputs and process.
10. Provide details of your fixed income risk model, including the number of risk factors. Additionally, highlight the most recent updates compared to an earlier version.
11. How does your system manage data from commingled vehicles or CITs?
12. Describe whether your system can integrate risk models or calculation engines from external sources.
13. Describe your capacity to identify and measure risks in underlying portfolios of hedge funds, including long and short positions. What methodologies and systems do your proposal use to evaluate risks unique to hedge funds, such as leverage, counterparty exposure, and liquidity?
14. Outline your capacity to identify and measure risks in private equity, and other alternative/non-traditional investment strategies and structures. What methodologies and systems have you developed that are unique to your proposal?
15. How does your system analyze investment risk in private equity fund-of-funds, direct investments, and co-investments? Can the system model impacts of potential investment on private markets exposures?
16. How do you measure and evaluate counterparty risk across the portfolio?
17. Describe your involvement in open protocols and industry-wide efforts to provide enhanced transparency in alternative investments.
18. Describe the system's performance measurement capabilities and performance attribution

capabilities across asset classes. What model of attribution is employed? Does the system have attribution capabilities down to the security level?

19. Describe your process for identifying, measuring, and managing risks associated with digital assets and cryptocurrencies. How does your system address unique challenges such as volatility, custody, regulatory uncertainty, and liquidity in these asset classes? Are there specific workflows or protocols designed for handling digital assets?
20. Which benchmarks are utilized and supported in your system? What solutions exist for blended benchmarks? For custom benchmarks (e.g., absolute return, 'BM + bps' benchmarks, beta /vol adjusted)?
21. Describe the reporting tools available to clients, including whether they have the ability to customize reports. Does the system support ad hoc calculations in real-time? Additionally, does the system offer downstream services that can be integrated with other business intelligence tools?
22. What type of reporting do you have for leverage, liquidity analysis, and/or counterparty tracking?
23. Describe the month-end process for updating manager risk exposures, including a general timeline for delivery of reports to the client.
24. Is your system capable of producing reports that show the active and total risk decomposition by asset classes within the total fund? By managers within the asset classes? Can the system also breakdown VaR and tracking error?
25. Does your system have the ability to run compliance reports, for monitoring positions relative to portfolio guidelines?
26. Please provide sample reports for all the risk metrics and screenshots for a demo to allow OCERS Investments staff to get a strong sense of your risk management system's capabilities.
27. What types of data export does your risk management system support? Does it include support for an Application Programming Interface (API) and SFTP?
28. Can your API be customized to support specific data fields or formats required by OCERS? How flexible is the API in integrating with other systems such as State Street or Backstop? Additionally, how does the system handle scalability in terms of API calls and large data volumes without performance degradation?

## **E. CLIENT SERVICE**

1. Discuss in detail the level of services provided to your clients.
2. How do you address client issues; describe the process for reporting technical issues.



3. Indicate the number of dedicated client service staff who would be assigned to support this potential client relationship. Please list name, title, education/credentials, location, years with the firm.
4. Describe the standard product training program that your firm offers.
5. Describe any periodic educational sessions, user conferences, or publications that you provide to clients.

## **F. OTHER SERVICES**

1. Does the firm have a trade execution management system? Include both proprietary and off-the-shelf systems for execution and processing.
2. What processes do you have in place for ensuring pre- and post-trade guideline compliance? Can the trade system also perform what-if and pre-trade portfolio analysis?
3. What data systems, ratings, and analytical tools do you offer to identify, assess, and monitor ESG factors on an issuer or security-level, manager-level or portfolio-level, and total fund-basis?
4. Describe the firm's research capacity (size of research team, geographic reach), professional background, and expertise to generate quality and reliable ESG factor analysis.

## Exhibit G: Sample OCERS' Agreement for Services

### ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM

#### AGREEMENT FOR SERVICES

This Agreement for Services ("Agreement") is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ (the "Effective Date") by and between the Orange County Employees Retirement System, ("OCERS") and \_\_\_\_\_ ("Contractor"). OCERS and Contractor are sometimes individually referred to as "Party" and collectively as "Parties." The Parties hereby agree as follows:

#### ARTICLE 1

##### PURPOSE

- 1.1 **Project.** Contractor desires to perform and assume responsibility for the provision of, and OCERS desires to engage Contractor to render, services for Risk Management System on the terms and conditions set forth in this Agreement and its attached exhibits.

#### ARTICLE 2

##### TERMS

- 2.1 **Scope of Services.** Contractor promises and agrees to furnish to OCERS all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately perform all services contemplated by this Agreement ("Services"), as more particularly described in the attached **Exhibit "A"** ("Scope of Services"). All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state, and federal laws, rules, and regulations. Contractor represents and warrants to OCERS that Contractor will perform the Services in a professional and workmanlike manner, in accordance with best industry standards and practices used in well-managed operations performing services similar to the Services. To the extent necessary to facilitate performance of the Services, OCERS may, in its discretion, make certain of its facilities, assets, and resources available on an "as is, where is" basis to Contractor at Contractor's request. While on OCERS' premises, Contractor agrees to comply with OCERS' access rules and procedures, including those related to safety, security, and confidentiality.
- 2.2 **Term.** The term of this Agreement will commence upon the Effective Date and will continue for 36 months from the Effective Date ("Term"), unless earlier terminated as provided herein. The Parties may, by mutual written agreement, extend the Term for up

to three (3) additional twelve (12) month periods. In no event shall the total term of the Agreement exceed seventy-two (72) months.

### 2.3 **Consideration.**

2.3.1 **Compensation.** Contractor shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement as set forth in Exhibit "B" ("Fee Schedule").

2.3.2 **Invoices and Payment.** Contractor shall submit to OCERS monthly itemized invoices as required by the Fee Schedule. OCERS shall pay all undisputed charges within net thirty (30) days of receiving such invoice.

2.3.3 **Extra Work.** At any time during the term of this Agreement, OCERS may request that Contractor perform Extra Work. As used herein, "Extra Work" means any work which is determined by OCERS to be necessary for the proper completion of the Services, but which the Parties did not reasonably anticipate would be necessary as of the Effective Date. Contractor shall not perform, nor be compensated for, Extra Work without written authorization by OCERS. Extra Work, if authorized by OCERS, will be compensated at the rates and manner set forth in this Agreement.

### 2.4 **Responsibilities of Contractor.**

2.4.1 **Independent Contractor.** Contractor's relationship with OCERS is that of an independent contractor, and nothing in this Agreement is intended to, or should be construed to, create a partnership, agency, joint venture, or employment relationship between OCERS and any of Contractor's employees or agents. Contractor is not authorized to make any representation, contract, or commitment on behalf of OCERS. Except as OCERS may agree in writing, Contractor shall have no authority, expressed or implied, to act on behalf of OCERS in any capacity whatsoever as an agent of OCERS. The Services shall be performed by Contractor or by Contractor's employees under Contractor's supervision. Contractor will determine the means, methods, and details of performing the Services subject to the requirements of this Agreement. Contractor is an independent contractor and not an employee of OCERS. Any additional personnel performing the Services under this Agreement on behalf of Contractor will also not be employees of OCERS and will at all times be under Contractor's exclusive direction and control.

2.4.2 **No Benefits and Payment of Subordinates.** Contractor (if Contractor is an individual) and Contractor's personnel will not be entitled to any of the benefits that OCERS may make available to its employees, including, but not limited to, group health insurance, life insurance, or retirement benefits. Contractor will pay all wages, salaries, and other amounts due its personnel in connection with their performance of Services under this Agreement and as required by law. Contractor

shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance. Contractor will bear the sole responsibility and liability for furnishing Workers' Compensation benefits to all such personnel for injuries arising from or connected with the Services.

- 2.4.3 Tax. Because Contractor is an independent contractor, OCERS will not withhold or make payments for social security, make unemployment insurance, or disability insurance contributions, or obtain workers' compensation insurance on behalf of Contractor. Contractor is solely responsible for, and will file, on a timely basis, all tax returns and payments required to be filed with, or made to, any federal, state, or local tax authority with respect to the performance of Services and receipt of fees under this Agreement. Contractor is solely responsible for, and must maintain adequate records of, expenses incurred in the course of performing Services under this Agreement. No part of Contractor's compensation will be subject to withholding by OCERS for the payment of any social security, federal, state or any other employee payroll taxes.
- 2.4.4 Licensing. Contractor represents that it, its employees, and subcontractors have all licenses, permits, qualifications, and approvals of whatever nature that are legally required to perform the Services, and that such licenses and approvals shall be maintained throughout the term of this Agreement.
- 2.4.5 Conformance to Applicable Requirements. All Services performed by Contractor shall be subject to the approval of OCERS.
- 2.4.6 Substitution of Key Personnel. Contractor has represented to OCERS that certain key personnel, listed in the attached **Exhibit "C"** ("Key Personnel"), will perform and coordinate the Services under this Agreement. Key Personnel will be available to perform Services under the terms and conditions of this Agreement immediately upon commencement of the term of this Agreement. If one or more of such Key Personnel becomes unavailable, Contractor may substitute other personnel of at least equal competence upon written approval of OCERS. Contractor shall provide OCERS written notification detailing the circumstances of the unavailability of the Key Personnel and designating replacement personnel prior to the effective date of the unavailability of such Key Personnel, to the maximum extent feasible, but no later than five (5) business days after the date of the Key Personnel's unavailability. OCERS will have the right to approve or disapprove the reassignment or substitution of Key Personnel for any reason at OCERS' sole discretion. In the event that OCERS and Contractor cannot agree as to the substitution of Key Personnel, OCERS will be entitled to terminate this Agreement for cause.

- 2.4.7 Removal of Key Personnel. Contractor agrees to remove any Key Personnel from performing Services under this Agreement within twenty-four (24) hours or as soon thereafter as is practicable if reasonably requested to do so by the OCERS.
- 2.4.8 Laws and Regulations. Contractor shall keep itself fully informed of and in compliance with all local, state, and federal laws, rules, and regulations related to or affecting the performance of the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Contractor shall be liable for all violations of such laws and regulations in connection with Services. If Contractor performs any work knowing it to be contrary to such laws, rules, and regulations, Contractor shall be solely responsible for all costs arising therefrom.
- 2.4.9 Labor Code Provisions.
- A. Prevailing Wages. Contractor is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq. (“Prevailing Wage Laws”), which require the payment of prevailing wage rates and the performance of other requirements on “public works” and “maintenance” projects. If the Services are being performed as part of an applicable “public works” or “maintenance” project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. Contractor shall comply with all prevailing wage requirements under the California Labor Code and Contractor shall forfeit as penalty to OCERS a sum of not more than \$200 for each calendar day, or portion thereof, for each worker paid less than the prevailing rates. This penalty shall be in addition to any shortfall in wages paid. OCERS has obtained the general prevailing rate of wages, as determined by the Director of the Department of Industrial Relations (“DIR”), a copy of which is on file in OCERS’s office and shall be made available for viewing to any interested party upon request. Contractor shall make copies of the prevailing rates of per diem wages for each craft, classification, or type of worker needed to execute the Services available to interested parties upon request and shall post copies at Contractor’s principal place of business and at the site where Services are performed.
- B. Registration and Labor Compliance. If the Services are being performed as part of an applicable “public works” or “maintenance” project, then, in addition to the foregoing, pursuant to Labor Code sections 1725.5 and 1771.1, Contractor and all subcontractors must be registered with the DIR. Contractor shall maintain registration for the duration of this Agreement and require the same of any subcontractors. The Services may also be subject to compliance monitoring and enforcement by the

DIR. It shall be Contractor's sole responsibility to comply with all applicable registration and labor compliance requirements, including the submission of payroll records directly to the DIR.

- C. Labor Certification. By its signature hereunder, Contractor certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code and agrees to comply with such provisions before commencing the performance of the Services.

2.4.10 Accounting Records. Contractor shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Contractor shall allow a representative of OCERS during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Contractor shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of four (4) years from the date of final payment under this Agreement. Pursuant to California Government Code Section 8546.7, the parties acknowledge that every contract involving the expenditure of public funds in excess of \$10,000 shall be subject to audit by the California State Auditor.

2.4.11 Business Continuity Plan. Contractor warrants that it has and will maintain throughout the term of this Agreement a written business continuity plan ("BCP") to enable it to recover and resume the Services provided by it to OCERS within one (1) Business Day in the event of any disruptive event. Contractor further represents and warrants that it has tested its BCP and will continue to conduct sufficient ongoing verification testing for the recovery and resumption of services provided to OCERS and will update its BCP at least annually. Contractor will notify OCERS within thirty (30) days of any material alterations to its BCP that would impair its ability to recover and resume any interrupted Services it provides to OCERS. Upon request by OCERS, Contractor will provide to OCERS a description of its BCP procedures as they relate to the recovery and resumption of the Services accompanied by a written certification that the BCP has undergone review and testing to account for any changes to such Services. Contractor shall promptly notify OCERS of any actual, threatened, or anticipated event that does or may disrupt or impact the Services provided by Contractor and will cooperate fully with OCERS to minimize any such disruption and promptly restore and recover the Services.

2.4.12 Inducement. Contractor warrants that no gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by Contractor or any agent or representative of Contractor, to any officer or employee of OCERS with a view

toward securing this Agreement or securing favorable treatment with respect to any determinations concerning the performance of this Agreement.

2.4.13 **No Conflict.** Contractor will refrain from any activity, and will not enter into any agreement or make any commitment, that is inconsistent or incompatible with Contractor's obligations under this Agreement, including Contractor's ability to perform the Services. Contractor represents and warrants that Contractor is not subject to any contract or duty that would be breached by Contractor's entering or performing Contractor's obligations under this Agreement or that is otherwise inconsistent with this Agreement.

## 2.5 **Representatives of the Parties.**

2.5.1 **OCERS' Representative.** OCERS hereby designates its Chief Executive Officer to act as its representative for the performance of this Agreement ("OCERS' Representative"). Contractor shall not accept direction or orders from any person other than the OCERS' Representative.

2.5.2 **Contractor's Representative.** Contractor hereby designates [name or title], or their designee, to act as its representative for the performance of this Agreement ("Contractor's Representative"). Contractor's Representative shall have full authority to represent and act on behalf of Contractor for all purposes under this Agreement. Contractor's Representative shall supervise and direct performance of the Services, using their best skill and attention, and shall be responsible for all means, methods, techniques, sequences, and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

## 2.6 **Indemnification.**

2.6.1 **Indemnity by Contractor.** To the fullest extent permitted by law, Contractor shall indemnify, immediately defend, and hold OCERS, the members of the OCERS Board of Retirement, and OCERS' officials, officers, employees, volunteers, and agents (collectively, "OCERS Indemnitees") free and harmless from and against all Losses (as defined in Section 2.6.4 below) that any OCERS Indemnitee shall suffer, sustain or become subject to (collectively, "Indemnity Claims") in any manner arising out of, pertaining to, or incident to any (i) negligent act, error or omission, or intentional misconduct by Contractor, its officials, officers, employees, subcontractors, contractors, or agents in connection with the performance of the Services or (ii) breach or alleged breach of this Agreement by Contractor. Contractor's duty to indemnify does not extend to the Indemnity Claims caused by OCERS' sole negligence or willful misconduct.

2.6.2 **Third-Party Claims.** Contractor shall immediately defend, with legal counsel reasonably agreed to by OCERS and at Contractor's own cost, expense, and risk, any Indemnity Claims; excluding, however, such claims arising from OCERS' sole

negligence or willful misconduct. Contractor shall control the defense or settlement of any such action, except that Contractor will not have the right to settle or compromise the claim without the consent of OCERS. Contractor shall pay and satisfy any judgment, award, or decree that may be rendered against any OCERS Indemnitee as part of any Indemnity Claim(s). Contractor shall also reimburse OCERS for the cost of any settlement paid by any OCERS Indemnitee as part of any Indemnity Claim. Such reimbursement shall include payment for OCERS' attorneys' fees and costs, including expert witness fees.

2.6.3 Civil Code Section 2782.8. Notwithstanding the foregoing, to the extent the Services are subject to Civil Code Section 2782.8, the above indemnity and duty to defend shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of Contractor.

2.6.4 Definition of Losses. As used in this Agreement, "Losses" mean all damages, dues, penalties, fines, amounts paid in settlement, taxes, costs, obligations, losses, expenses, and fees (including court costs and reasonable attorneys' and expert witness fees and expenses), including, as the context may require, any of the foregoing that arise out of or in connection with any actions, suits, proceedings, hearings, investigations, charges, complaints, claims, demands, injunctions, judgments, orders, decrees, or rulings.

## 2.7 Insurance.

2.7.1 Time for Compliance. Contractor shall not commence work under this Agreement until it has provided evidence satisfactory to OCERS that it has secured all insurance required under this Section 2.7. In addition, Contractor shall not allow any subcontractor to commence work on any subcontract until Contractor has provided evidence satisfactory to OCERS that the subcontractor has secured all insurance required under this section. Failure to provide and maintain all required insurance shall be grounds for the OCERS to terminate this Agreement for cause.

2.7.2 Minimum Requirements. Contractor shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by Contractor, its agents, representatives, employees, or subcontractors. Contractor shall also require all its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet the following requirements:

- A. Commercial General Liability. Commercial general liability insurance, including bodily injury, personal injury, property damage and productions/completed operations coverage, in the amount not less than two million dollars (\$2,000,000) per occurrence.



- B. **Workers' Compensation and Employer's Liability Insurance.** Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance in an amount not less than one million dollars (\$1,000,000) per accident for bodily injury or disease. The insurer shall agree to waive all rights of subrogation against the OCERS Indemnitees for losses paid under the terms of the insurance policy which arise from work performed by Contractor.
- C. **Professional Liability.** Errors and omissions liability insurance appropriate to their profession covering Contractor's wrongful acts, negligent actions, errors, or omissions in the amount not less than two million dollars (\$2,000,000) per claim and covering the period from the effective date of this Agreement until five (5) years following the termination or expiration of this Agreement.
- D. **Fidelity Insurance.** Comprehensive fidelity insurance policy with employee dishonesty coverage in an amount not less than five million dollars (\$5,000,000) per occurrence.
- E. **Cyber Security Insurance.** Cyber security liability insurance covering claims involving privacy violations, information theft, damage to or destruction of electronic information, intentional or unintentional release of private information, alteration of electronic information, extortion and network security, and network and business interruption with limits of not less than two million dollars (\$2,000,000) for each occurrence and an annual aggregate of five million dollars (\$5,000,000).
- F. **Excess Liability.** The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess coverage shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the OCERS Indemnitees (if agreed to in a written contract or agreement) before any OCERS Indemnitee's own primary or self-insurance shall be called upon to protect it as a named insured. The policy shall be endorsed to state that the OCERS Indemnitees shall be covered as additional insured. The coverage shall contain no special limitations on the scope of protection afforded to the OCERS Indemnitees.

2.7.3 **All Coverages; No Contribution.** All insurance which Contractor is obligated to procure and maintain shall include or be endorsed to state that: (1) the OCERS Indemnitees shall be covered as additional insured with respect to work by or on behalf of Contractor, including materials, parts, or equipment furnished in connection with such work; and (2) the insurance coverage shall be primary insurance with respect to the OCERS Indemnitees, or if excess, shall stand in an

unbroken chain of coverage excess of Contractor's scheduled underlying coverage. Any insurance or self-insurance maintained by any OCERS Indemnitee shall be excess of Contractor's insurance and shall not be called upon to contribute with it in any way.

- A. The insurance policies required by Section 2.7.2 above shall contain or be endorsed to contain the following specific provisions:
  - I. The policies shall contain a waiver of transfer rights of recovery ("waiver of subrogation") against the OCERS Indemnitees, for any claims arising out of the work of Contractor.
  - II. Policies may provide coverage which contains deductible or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to the OCERS Indemnitees under such policies. Contractor shall be solely responsible for deductible and/or self-insured retention and OCERS, at its sole discretion, may require Contractor to secure the payment of such deductible or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit. The insurance policies that contain deductibles or self-insured retentions in excess of \$25,000 per occurrence shall not be acceptable without the prior approval of OCERS.
  - III. Prior to start of work under this Agreement, Contractor shall provide OCERS with certificate(s) of insurance signed by an authorized representative of the insurer(s) evidencing and certifying to the insurance coverage required by Section 2.7.2. Upon request by OCERS, the Contractor shall also promptly provide additional evidence, including declarations, endorsements, or policies, verifying the required insurance coverage.
  - IV. Each insurance policy required by Section 2.7.2 shall contain a cancellation clause that provides such policy shall not be cancelled or otherwise terminated by the insurer or Contractor or reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to OCERS, Attention: Jim Doezie
  - V. Insurance required by Section 2.7.2 shall be placed with insurers licensed by the State of California to transact insurance business of the types required herein. Each insurer shall have a current Best Insurance Guide rating of not less than A: VII unless prior approval is secured from OCERS as to the use of such insurer.

VI. Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all the requirements stated herein.

2.7.4 Reporting of Claims. Contractor shall report to OCERS, in addition to Contractor's insurer, any and all insurance claims submitted by Contractor in connection with the Services under this Agreement.

## 2.8 Termination of Agreement.

2.8.1 Termination. OCERS may, by written notice to Contractor, terminate the whole or any part of this Agreement without liability to OCERS if Contractor fails to perform or breaches any of the terms contained herein. In addition, either Party may terminate this Agreement for any reason or for no reason on thirty (30) days' written notice to the other Party. Upon termination, Contractor shall be compensated only for those Services that have been performed and delivered to OCERS' satisfaction, and Contractor shall be entitled to no further compensation.

2.8.2 Survival. The rights and obligations contained in Section 2.4 (Responsibilities of Contractor), Section 2.6 (Indemnification), and Section 2.9 (Ownership of Work Product and Confidentiality) will survive any termination or expiration of this Agreement.

## 2.9 Ownership of Work Product and Confidentiality.

2.9.1 Ownership of Work Product; Licensing of Intellectual Property. Contractor hereby irrevocably assigns to OCERS all right, title and interest worldwide in and to any and all discoveries, developments, formulae, information, materials, improvements, designs, artwork, content, software programs, other works of authorship, and any other work product created, conceived, or developed by Contractor (whether alone or jointly with others) for OCERS during or before the term of this Agreement, including all copyrights, patents, trademarks, trade secrets, and other intellectual property rights therein (including all rights to priority and rights to file patent applications and/or registered designs) ("Work Product"). Contractor retains no rights to use the Work Product and agrees not to challenge the validity of OCERS' ownership of, or intellectual property rights in, the Work Product. Contractor agrees to execute, at OCERS' request and expense, all documents and other instruments necessary or desirable to confirm such assignment, including without limitation, any copyright assignment or patent assignment provided by OCERS. Contractor hereby irrevocably appoints OCERS as Contractor's attorney-in-fact for the purpose of executing such documents on Contractor's behalf, which appointment is coupled with an interest. At OCERS' request, Contractor will promptly record any such patent assignment with the United States Patent and Trademark Office. OCERS will reimburse Contractor for any reasonable out-of-

pocket expenses actually incurred by Contractor in fulfilling its obligations under this section. Contractor will deliver each item of Work Product specified in **Exhibit "A"** and disclose promptly in writing to OCERS all other Work Product.

- 2.9.2 Other Rights. If Contractor has any rights, including without limitation "artist's rights" or "moral rights," in the Work Product that cannot be assigned, Contractor hereby unconditionally and irrevocably grants to OCERS an exclusive (even as to Contractor), worldwide, fully paid and royalty-free, irrevocable, perpetual license, with rights to sublicense through multiple tiers of sublicensees, to use, reproduce, distribute, create derivative works of, publicly perform and publicly display the Work Product in any medium or format, whether now known or later developed. In the event that Contractor has any rights in the Work Product that cannot be assigned or licensed, Contractor unconditionally and irrevocably waives the enforcement of such rights, and all claims and causes of action of any kind against OCERS and its affiliates.
- 2.9.3 License to Preexisting IP. Contractor agrees not to use or incorporate into Work Product any intellectual property developed by any third party or by Contractor other than in the course of performing Services for OCERS ("Preexisting IP") unless the Preexisting IP has been specifically identified and described in **Exhibit "A"**. In the event Contractor uses or incorporates Preexisting IP into Work Product, Contractor hereby grants to OCERS a non-exclusive, worldwide, fully-paid and royalty-free, irrevocable, perpetual license, with the right to sublicense through multiple tiers of sublicensees, to use, reproduce, distribute, digitally transmit, create derivative works of, publicly perform, and publicly display in any medium or format, whether now known or later developed, such Preexisting IP incorporated or used in Work Product.
- 2.9.4 Confidential Information. Any financial, statistical, personal, technical, and other data and information relating to a Party's operations which are made available to the other Party in order to carry out this Agreement shall be reasonably protected by such other Party from unauthorized use, except to the extent that disclosure thereof is required to comply with applicable law, including the California Public Records Act. Confidentiality does not apply to information which is known to a receiving Party from other sources, which is otherwise publicly available, or which is required to be disclosed pursuant to an order or requirements of a regulatory body or a court.
- 2.9.5 Customer Data. Contractor acknowledges that it may receive confidential information from OCERS or otherwise in connection with this Agreement or the performance of the Services, including personally identifiable information of OCERS' customers and members ("Customer Data"). Except for information in the public domain, unless such information falls into the public domain by disclosure or other acts of OCERS or through the fault of OCERS, Contractor agrees:

- A. To maintain Customer Data in confidence;
- B. Not to use Customer Data other than in the course of this Agreement;
- C. Not to disclose or release Customer Data except on a need-to-know only basis;
- D. Not to disclose or release Customer Data to any third person without the prior written consent of OCERS, except for authorized employees or agents of Contractor;
- E. To promptly notify OCERS in writing of any unauthorized release of confidential information, including Customer Data;
- F. To take all appropriate action, whether by instruction, agreement or otherwise, to ensure that third persons with access to the information under the direction or control or in any contractual privity with Contractor, do not disclose or use, directly or indirectly, for any purpose other than for performing the Services during or after the term of this Agreement, any confidential information, including Customer Data, without first obtaining the written consent of OCERS; and
- G. Upon request by OCERS and upon the termination or expiration of this Agreement for any reason, Contractor shall promptly return to OCERS all copies, whether in written, electronic, or other form or media, of Customer Data in its possession or in the possession of its employees or agents, or securely dispose of all such copies, and certify in writing to OCERS that such Customer Data has been returned to OCERS or disposed of securely.

2.9.6 Disclosure. Except as may be required by applicable law, neither Party shall make any disclosure of any designated confidential information related to this Agreement without the specific prior written approval from the other of the content to be disclosed and the form in which it is disclosed, except for such disclosures to the Parties' financing sources, other secured parties, creditors, beneficiaries, partners, members, officers, employees, agents, consultants, attorneys, accountants, and exchange facilitators as may be necessary to permit each Party to perform its obligations hereunder and as required to comply with applicable laws or rules of any exchange upon which a Party's shares may be traded. Notwithstanding the foregoing, nothing contained herein shall be deemed to restrict or prohibit OCERS from complying with applicable law regarding disclosure of information, including the California Public Records Act and Contractor hereby agrees to release OCERS from any and all Losses related to any such disclosure.

2.9.7 Publicity. Contractor shall not use OCERS' name or insignia, photographs of OCERS property, or any publicity pertaining to the Services in any advertisement, magazine, trade paper, newspaper, television, or radio production, or other similar medium without the prior written consent of OCERS.

2.9.8 Non-Infringement. Contractor represents, warrants, and covenants that it will perform its responsibilities under this Agreement in a manner that does not infringe, or constitute an infringement or misappropriation of, any patent, copyright, trademark, trade secret, or other proprietary rights of any third-party.

**2.10 Subcontracting/Subconsulting.**

2.10.1 Prior Approval Required. Contractor shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval of OCERS. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement. Contractor will be solely responsible for the payment of all subcontractors and other third parties engaged by or through Contractor to provide, perform, or assist in the provision and delivery of the Services.

**ARTICLE 3**  
**GENERAL PROVISIONS**

3.1 Notices. All notices permitted or required under this Agreement shall be given to the respective Parties at the following address, or at such other address as the respective Parties may provide in writing for this purpose:

**OCERS:**

**CONTRACTOR:**

**Orange County Employees Retirement System**

**2223 E. Wellington Avenue**

**Santa Ana, CA 92701**

**Attention: Jim Doezie**

**e-mail: [jdoezie@ocers.org](mailto:jdoezie@ocers.org)**

Such notice shall be deemed made when personally delivered, received by email, or received by U.S. Mail, first class postage prepaid and registered or certified, addressed to the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

- 3.2 Equal Opportunity Employment. Contractor represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee, or applicant for employment because of race, religion, color, national origin, ethnic group identification, mental disability, physical disability, medical condition, genetic information, marital status, ancestry, sex, gender, sexual orientation, gender identity, gender expression, age, or military and veteran status. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, or termination.
- 3.3 Time of Essence. Time is of the essence for each and every provision of this Agreement. The acceptance of late performance shall not waive the right to claim damages for such breach nor constitute a waiver of the requirement of timely performance of any obligations remaining to be performed.
- 3.4 OCERS' Right to Employ Other Contractors. OCERS reserves the right to employ other contractors in connection with the Services.
- 3.5 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the Parties.
- 3.6 Assignment or Transfer. Contractor shall not assign, hypothecate, or transfer, either directly or indirectly (including by operation of law), this Agreement or any interest herein without the prior written consent of OCERS.
- 3.7 Amendment. This Agreement may not be altered or amended except in a writing signed by both Parties.
- 3.8 Waiver. All waivers under this Agreement must be in writing to be effective. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition.
- 3.9 No Third-Party Beneficiaries. There are no intended third-party beneficiaries of any right or obligation assumed by the Parties.
- 3.10 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.
- 3.11 Governing Law; Venue. This Agreement shall be governed by the laws of the State of California. The exclusive venue for any dispute arising out of or relating to this Agreement shall be in Orange County, California.

- 3.12 Injunctive Relief for Breach. Contractor's obligations under this Agreement are of a unique character that gives them particular value; breach of any of such obligations will result in irreparable and continuing damage to OCERS for which there will be no adequate remedy at law; and, in the event of such breach, OCERS will be entitled to injunctive relief and/or a decree for specific performance, and such other and further relief as may be proper (including monetary damages if appropriate).
- 3.13 Attorneys' Fees. If either Party commences an action against the other Party, either legal, administrative, or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorneys' fees and all other costs of such action.
- 3.14 Authority to Enter Agreement. Contractor has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.
- 3.15 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.
- 3.16 Integration. This Agreement represents the entire understanding of OCERS and Contractor as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. Neither Party shall be deemed to be the drafter of this Agreement and no presumption for or against the drafter shall be applicable in interpreting or enforcing this Agreement.
- 3.17 Interpretation. This Agreement has been negotiated at arm's length and between parties sophisticated and knowledgeable in the matters dealt with in this Agreement. Each Party has been represented by experienced and knowledgeable legal counsel. Accordingly, any rule of law (including, without limitation, California Civil Code Section 1654) or legal decisions that would require interpretation of any ambiguities in this Agreement against the party that has drafted it shall not be applicable and are hereby waived. The provisions of the Agreement shall be interpreted in a reasonable manner to effectuate the purpose of the Parties and this Agreement.
- 3.18 Headings. Titles or headings are not part of this Agreement, are for convenience of reference only, and shall have no effect on the construction or legal effect of this Agreement.
- 3.19 Precedence. In the event of any conflict, inconsistency, or ambiguity between the terms and conditions in the main body of this Agreement and the terms and conditions in any exhibit, the main body of this Agreement shall control. This Agreement and all attached exhibits will be construed to be consistent, insofar as reasonably possible. When interpreting this Agreement, precedence shall be given to its respective parts and amendments in the following descending order:



- A. Amendments to this Agreement entered into pursuant to Section 3.7 herein.
- B. This Agreement.
- C. Exhibit A: Scope of Services, Exhibit B: Fee Schedule, and Exhibit C: Key Personnel.
- D. OCERS Request for Proposal dated 01/31/2025 , attached as Exhibit "D".
- E. Contractor's Response to OCERS Request for Proposal, attached as Exhibit "E".

IN WITNESS WHEREOF, the Parties hereby have caused this Agreement to be executed on the Effective Date:

APPROVED:

APPROVED:

**OCERS**

**[CONTRACTOR]**

By:

Name:

Title:

By:

Name:

Title:

By:

Name:

Title:



## **EXHIBIT A**

### Scope of Services

Starting on the Effective Date, and continuing during the Term, Contractor will perform the Services in accordance with the terms of the Agreement. The Services consist of:

1. Integration of manager holdings and benchmark information across all asset classes including: equities, fixed income, private equity, hedge funds, real assets and real estate. The ideal solution would provide the ability to integrate position details across all managers, holding all asset classes within a business day;
2. Source and aggregate data from various vendors including custodian, consultants, investment managers, fund of funds and various service providers;
3. Total risk, active risk, VaR, and factor exposures at the total fund, asset class, manager, and security level utilizing return-based and holding-based data;
4. Decomposition analysis of total risk, active risk, VaR, and factor exposures at the total fund, asset class, manager, and security level;
5. Capability to model and generate reports for investments in illiquid and private markets;
6. Stress Testing: the ability to measure potential losses given certain historical or prospective events;
7. Scenario analysis: the ability to measure potential losses or gains given certain scenarios;
8. Portfolio reporting: risk and exposure with the capabilities of performance reporting;
9. Reporting: asset level detail reports, individual manager level reporting, portfolio level reporting, Total Fund level reporting, and the ability to report by user defined groupings;
10. Ability to create and run reports necessary to perform ad hoc analysis; and
11. Comprehensive client support services and training offered both formally and on an ad-hoc basis.



## **EXHIBIT B**

### Fee Schedule\*

1. **Fees and Expenses.** Contractor agrees to accept the compensation set forth in this Exhibit B as full payment for performing all Services, including all staffing and materials required, for any reasonably unforeseen difficulties which may arise or be encountered in the execution of the Services, for risks connected with the Services, and for performance by Contractor of all its duties and obligations under the Agreement. OCERS will pay the following fees in accordance with the provisions of this Agreement:
2. *The total compensation shall not exceed XXX Dollars (\$XXX.00) without written approval by OCERS.*
3. *[provision for expense reimbursement]*
4. **Payment Terms – Payment in Arrears:** Invoices are to be submitted in arrears to OCERS unless otherwise directed in this Agreement. Payment by OCERS will be net thirty (30) days after receipt and approval of an invoice in a format acceptable to OCERS.
5. **Payment – Invoicing Instructions:** Contractor will provide an invoice on Contractor's letterhead for services rendered under this Agreement. Each invoice will have a number and will include the following information:
  - a. Contractor's name and address
  - b. Contractor's remittance address, if different from item #1 above
  - c. Contractor's Taxpayer ID Number
  - d. Name of OCERS Agency/Department
  - e. Delivery/service address
  - f. Agreement number
  - g. Agency/Department's Account Number
  - h. Date of invoice
  - i. Description and price of services provided
  - j. Sales tax, if applicable
  - k. Freight/delivery charges, if applicable
  - l. Total

Invoice and support documentation are to be forwarded to:

Orange County Employees Retirement System  
2223 E. Wellington Avenue  
Santa Ana, CA 92701  
Attention: Accounts Payable  
Email: [Accountspayable@ocers.org](mailto:Accountspayable@ocers.org)



**EXHIBIT C**  
Key Personnel





**EXHIBIT D**  
Request for Proposal



**EXHIBIT E**

Response to Request for Proposal