

BIRMINGHAM RETIREMENT INVESTMENT COMMITTEE AGENDA
MONDAY OCTOBER 26, 2020 at 8:00 A.M.
SPECIAL VIRTUAL MEETING

The purpose of the special meeting is to discuss the process for development of a Request for Proposals (RFP) for investment consulting services for the Retirement Board and Retiree Health Care Fund Investment Committee

- 1) Call to order by Chairman Conti
- 2) Roll Call
- 3) Review of RFP for Investment Consultant Services
- 4) Meeting Open to the Public for Items Not on the Agenda
- 5) Adjournment

Mark Gerber, Secretary/Treasurer
Employees Retirement Board

Public comment will be handled by the virtual “raise hand” method as controlled by the participant. See instructions as posted on the City of Birmingham website:
www.bhamgov.org/participate.

Individuals requiring accommodations, such as interpreter services, for effective participation in this meeting should contact the City Clerk's Office at (248) 530-1880 at least one day in advance of the public meeting.

Las personas que requieren alojamiento, tales como servicios de interpretación, la participación efectiva en esta reunión deben ponerse en contacto con la Oficina del Secretario Municipal al (248) 530-1880 por lo menos el día antes de la reunión pública. (Title VI of the Civil Rights Act of 1964).

Real time closed captioning can be viewed live through the Zoom platform by selecting “view subtitles”.

MEMORANDUM

DATE: **October 20, 2020**

TO: **Retirement Investment Committee**

FROM: **Mark Gerber, Finance Director/Treasurer**
Thelma Golden, Treasury Consultant

SUBJECT: **Investment Consultant RFP – Third Draft**

We have incorporated the City of Birmingham's RFP template language into the RFP document that the Investment Committee reviewed at the October 12, 2020 special meeting. The City's template also included attachments for a proposed Investment Advisor Agreement, a Proposer's Agreement, a proposed fee schedule and an Iran Sanctions Act Vendor Certification Form. We have noted that a key personnel listing and actuarial valuations for both funds would also be attached.

The changes to the attached document have been highlighted in color. Those words or sections that may need to be revised (such as dates) are shown in yellow. Sections that were taken from the City's RFP template are shown in gray. The committee can decide which of these sections it wishes to keep.



**BIRMINGHAM EMPLOYEES RETIREMENT SYSTEM
REQUEST FOR PROPOSALS
For RETIREMENT INVESTMENT ADVISOR**

Sealed proposals endorsed **"RETIREMENT INVESTMENT ADVISOR"**, will be received at the Office of the City Clerk, 151 Martin Street, PO Box 3001, Birmingham, Michigan, 48012; **until February 23, 2021 at 5:00 P.M.**

Bidders may attend a bidders meeting on January 21, 2021 at Noon at the City of Birmingham, Room 200, 151, Martin, Birmingham, Michigan 48327. Bidders must register for the pre-bid meeting by Noon on January 27, 2021 by contacting Mark Gerber, Finance Director/Treasurer, 248-530-1814.

The Birmingham Employees Retirement System is accepting sealed bid proposals from qualified investment advisory firms to provide services to prudently maximize the Birmingham Employees Retirement System and Retiree Health Care Fund investment returns in a risk efficient manner in order to meet our fiduciary responsibilities. The intent of the proposal process is to obtain investment advisor (consulting) services, maximize investment returns, and minimize advisory fees. This work must be performed as specified in accordance with the specifications contained in the Request for Proposals (RFP).

The RFP, including the Specifications, may be obtained online from the Michigan Inter-governmental Trade Network at <http://www.mitn.info> or at the City of Birmingham, 151 Martin St., Birmingham, Michigan, ATTENTION: Mark Gerber, Finance Director/Treasurer.

The acceptance of any proposal made pursuant to this invitation shall not be binding upon the Birmingham Employees Retirement System until an agreement has been executed.

Submitted to MITN:	INSERT DATE POSTED
Bidders Meeting:	January 28, 2021 at Noon in Room 200 at the City of Birmingham Municipal Building, 151 Martin, Birmingham, Michigan 48009
Deadline for Submissions:	February 23, 2021 at 5:00 P.M.
Contact Person:	Mark Gerber, Finance Director/Treasurer P.O. Box 3001, 151 Martin Street Birmingham, MI 48012-3001 Phone: 248-530-1814 Email: mgerber@bhamgov.org



BIRMINGHAM EMPLOYEES RETIREMENT SYSTEM
REQUEST FOR PROPOSALS
For RETIREMENT INVESTMENT ADVISOR

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INTRODUCTION

For purposes of this Request for Proposals (RFP) the Birmingham Employees Retirement System will hereby be referred to as “BERS” and the investment advisory firm will hereby be referred to as “Advisor.”

The Birmingham Employees Retirement System is accepting sealed bid proposals from qualified investment advisory firms to provide services to prudently maximize the Birmingham Employees Retirement System and Retiree Health Care Fund investment returns in a risk efficient manner in order to meet our fiduciary responsibilities. The intent of the proposal process is to obtain investment advisory services, maximize investment returns, and minimize advisory fees. This work must be performed as specified in accordance with the specifications outlined by the Scope of Work contained in this Request for Proposals (RFP).

During the evaluation process, BERS reserves the right where it may serve BERS’s best interest to request additional information or clarification from proposers, or to allow corrections of errors or omissions. At the discretion of the BERS, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

BERS reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the investment advisory firm of the conditions contained in this Request for Proposals unless clearly and specifically noted in the proposal submitted and confirmed in the contract between BERS and the investment advisory firm selected.

We anticipate that a firm will be selected by Thursday, April 27, 2021. An Agreement for services will be required with the selected Advisor. A copy of the Agreement is attached for reference as Attachment A. Investment advisory services will commence upon execution of the service agreement by the Birmingham Employees Retirement Board. Following notification of the selected investment advisory firm, we expect that an agreement will be executed between all parties on or about July 31, 2021.

The agreement will be subject to the annual review and recommendation of the Retirement Investment Committee, the satisfactory negotiation of terms (including a price acceptable to both BERS and the selected investment advisory firm) and concurrence of the BERS Retirement investment Committee. The BERS reserves the right to periodically request proposals for investment advisory services.

All financial information provided by BERS in this proposal and as part of the bid process is confidential, to be used by recipients only to assist in the preparation of bids and is not to be used for any other purpose.

BACKGROUND INFORMATION

Birmingham Employees Retirement System

The Birmingham Employees Retirement System was established by Charter in 1944 and completely restated effective July 1, 1992 .to provide retirement allowances and benefits for the employees of the City of Birmingham and their dependents. The BERS is a defined benefit plan subject to the provisions of ERISA. Effective July 1, 2012 the Plan is frozen to the accumulation of future benefits and to new participants. Outside firms are used for custodial, actuarial and investment advisory services and BERS desires to continue to use these services.

The Treasurer, in conjunction with an eight-member Retirement Board, is responsible for administering, managing and operating the Birmingham Employees Retirement System. The Retirement Board consists of a citizen member, the City Manager, a general City member, a Fire Department member, a Police Department member, the Mayor, a City Commissioner, and a non-voting retiree member. The City Treasurer is the Secretary-Treasurer to the Retirement Board. The Retirement Board is required, by Charter, to meet at least once each quarter.

The Retirement Board has appointed a 3-person Retirement INVESTMENT Committee to work with the Investment Advisor to monitor the Fund's investments and make recommendation to the Retirement Board and Retiree Health Care fund Investment Committee. The committee consists of the Treasurer a Retirement Board Trustee, and a citizen member.

The fiscal year for the BERS begins on July 1 and ends on June 30. A copy of the actuarial valuation for the BERS for the period ending June 30, 2020 is attached as APPENDIX E

Birmingham Retiree Health Care Fund

The Effective Date of the Retiree Health Care Fund is January 1, 2001. The purpose of the Fund is to pay medical and health care benefits including hospitalization benefits, for the welfare of eligible retirees of the City of Birmingham receiving monthly benefits from the Birmingham Employees Retirement System (BERS) and the eligible dependents of such retirees. Medical and health care benefits paid by the Fund are provided pursuant to the City of Birmingham Health Care Plan.

The Fund assets are invested under the direction of a five (5) person Retiree Health Care Fund Investment Committee consisting of The City Manager, A City Commissioner, The City Treasurer, a Citizen member appointed by the City Commission, and a non-supervisory employee appointed by the City Manager.

The fiscal year for the RHC Fund begins on July 1 and ends on June 30. A copy of the actuarial valuation for the Fund for the period ending June 30, 2020 is attached as APPENDIX F.

DESCRIPTION OF THE PORTFOLIOS

The Birmingham Employees Retirement System portfolio is valued at approximately \$100,000,000. Funds are currently invested in equities, fixed income funds, and alternative funds.

The Birmingham Retiree Health Care Fund portfolio is valued at approximately \$40,000,000 and mirrors the investments of the Retirement Fund.

REQUEST FOR PROPOSALS (RFP)

The purpose of this RFP is to request sealed bid proposals from qualified investment advisors presenting their qualifications, capabilities and costs to provide investment advisory services for the Birmingham Employees Retirement Board and Retiree Health Care Fund Investment Committee

PROPOSAL CALENDAR

The following is a list of key dates up to and including the date an agreement is completed:

01/18/21	Mail Request for Proposals
01/21/21	Written Questions, if any, Due at Noon
01/28/21	Bidders' Meeting (optional) at Noon
02/23/21	Responses Due from Investment Advisory Firms at 5 p.m.
03/22/21	Responses and Analysis to Selection Committee Members for Review
03/30/21	Selection of Investment Advisory Firms to Interview and Finalist Appointments Scheduled
04/13/21 and 4/14/21	at 8 a.m. to noon Oral Presentations by Finalists <i>in Person</i>
04/27/21	Recommendation of Investment Advisory Firm by Investment Committee
07/20/21*	Approval of Investment Advisory Firm by Birmingham Retirement Board and Retiree Health Care Fund Investment Committee
07/31/21**	Agreement Completed (approx.)

* Potential email vote

** If email vote, agreement could be completed by May 31.

INQUIRIES

A Bidders' Meeting is scheduled for **Thursday, January 28, 2021** at Noon in Room 200 of the City of Birmingham Municipal Building, 151 Martin, Birmingham, Michigan 48009. Please indicate intent to attend by contacting Mark Gerber, mgerber@bhamgov.org, 248-530-1814, no later than Noon on **Wednesday, January 27, 2021**.

Any additional inquiries concerning this RFP and the subject of the RFP must be made in writing via email or letter to:

Mark Gerber, Finance Director/Treasurer
City of Birmingham
P.O. Box 3001
Birmingham, MI 48012
mgerber@bhamgov.org

The deadline for written inquiries is **Thursday, January 21, 2021** at Noon. We will distribute all responses to all proposing investment advisory firms

SUBMISSION OF PROPOSALS

Proposals shall be submitted no later than **5:00 P.M., February 23, 2021** to:

City of Birmingham
Attn: City Clerk
151 Martin Street
Birmingham, Michigan 48009

One (1) original and eleven (11) copies of the proposal shall be submitted. The proposal should be firmly sealed in an envelope, which shall be clearly marked on the outside, **"RETIREMENT INVESTMENT ADVISOR"**. Any proposal received after the due date cannot be accepted and will be rejected and returned, unopened, to the proposer. Proposer may submit more than one proposal provided each proposal meets the functional requirements.

INSTRUCTIONS TO BIDDERS

The following material is required by **5:00 PM on Thursday, February 23, 2021**, for a proposing investment advisory firm to be considered:

1. The Proposal and **eleven (11) copies** are to include the following:
 - a. Title Page showing:
 - The subject of the proposal
 - The investment advisory firm's name
 - The name, address, telephone number and email address of a contact person
 - b. Table of Contents
 - c. Transmittal Letter
A signed letter of transmittal shall briefly state:
 - The proposer's understanding of the work to be performed.
 - A commitment to perform the work in a high quality manner
 - A statement as to why the investment advisory firm believes itself to be the best qualified investment advisory firm to perform the engagement

- A statement that the proposal is a firm and irrevocable offer for the period covered

d. Detailed Proposal

The detailed proposal should follow the order set forth in the “Technical Proposal” section of this Request for Proposals. Fee schedule as outlined in Attachment C, “Proposed Fee Schedule” must be submitted for proposal consideration.

e. Bidder’s Agreement

Executed copies of the Bidder’s Agreement attached to this RFP ([Appendix A](#)), should be included within the proposal.

f. Insurance Coverage

The successful bidder is required to document in the proposal that it will procure and maintain certain types of insurances. Please refer to paragraph 12 of the Agreement attached as [Attachment A](#) for the details and what is required of the successful bidder.

2. All forms requesting information from the bidder must be completed on the attached forms contained herein (see “[Advisor’s Responsibilities](#)”).
3. All proposals must be submitted following the RFP format as stated in this document and shall be subject to all requirements of this document including the instruction to respondents and general information sections. All proposals must be regular in every respect and no interlineations, excisions, or special conditions shall be made or included in the RFP format by the respondent.
4. The agreement will be awarded by the BERS to the most responsive and responsible bidder with the lowest price.
5. Each respondent shall include in his or her proposal, in the format requested, the cost of performing the work. The Birmingham Employees Retirement System and Retiree Health Care Fund are exempt from Michigan State Sales and Federal Excise taxes. Do not include such taxes in the proposal figure. The BERS will furnish the successful firm with tax exemption information when requested.
6. Each respondent shall include in their proposal the following information: Firm name, address, city, state, zip code, telephone number, and fax number. The company shall also provide the name, address, telephone number and e-mail address of an individual in their organization to whom notices and inquiries by the BERS should be directed as part of their proposal.

NATURE OF SERVICES REQUIRED

The BERS is soliciting the services of qualified investment advisory firms as outlined in Section A – Qualifying Requirements to provide investment advisory services as outlined in Section B – Scope of Services.

QUALIFYING REQUIREMENTS

1. Qualified firms
 - a. Investment advisory firms submitting proposals must be registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940.
 - b. The firm must have provided for 20 consecutive years advisory services comparable to those described in Section B – Scope of Services for total portfolio values of at least \$40 million.
 - c. The firm must have provided advisory services to public pension plans and be knowledgeable in ERISA requirements.
 - d. The firm must have a minimum of \$30 billion of assets under management.
 - e. The firm must be a fiduciary
2. Compliance with Laws and Regulations

The investment advisory firm must comply with all federal, state and local laws and regulations.

3. Non-Discrimination

No person shall be denied or subjected to discrimination on account of any services or activities made possible by or resulting from this agreement on the grounds of sex, race, color, creed, national origin, age (except minimum age and retirement provision), marital status or the presence of any sensory, mental or physical handicap. Any violation of this provision shall be considered a violation of a material provision of this agreement and shall be grounds for cancellation, termination or suspension in whole or part of the agreement by the BERS and may result in ineligibility for further the BERS contracts. The proposer shall at all times in the proposal and contract process comply with all applicable BERS, state and federal anti-discrimination laws, rules and regulations and requirements thereof.

4. Investment Advisor Firm Professionals

The investment advisor professional assigned to the BERS account must have a minimum of 15 years' experience as an investment advisor and have Certified Financial Analyst (CFA) and/or Certified Financial Planner (CFP) license(s). The professional should be fully committed and capable of servicing the advisory needs of the BERS.

SCOPE OF SERVICES

The Advisor shall perform the following investment advisory services as outlined in the BERS Statement of Investment Objectives and Investment policy Guidelines. Services will include, but are not limited to, the following:

1. Portfolio analysis – Review assets allocations and structures and make recommendations for appropriate changes.
2. Reporting – Provide quarterly performance reports including, but not limited to, performance data and analysis for BERS's pension and retiree health care accounts and detailed analysis including return attribution analysis, portfolio characteristics, style and risk analysis, asset classes, allocation, and holdings vs. Benchmarks.
3. Manager Research and Analysis – Manage the selection, retention, and dismissal of investment managers, perform necessary due diligence and provide summary reporting.
4. Research – Perform the necessary due diligence on investment markets to ensure optimal performance, including monitoring, rebalancing and reporting.
5. Responsibilities to the Retirement Investment Committee
 - a. Provide the Investment Committee with quarterly performance reports within 21 days following the end of the quarter, pending timely receipt of custodian statements.
 - b. Meet with the Investment in person (or virtually as required) at least quarterly or more frequently as needed.
 - c. Advisor must be able to meet virtually using the Zoom platform (if necessary) in light of health concerns surrounding the COVID-19 (or other) pandemic and in accordance with the Governor of Michigan's Executive Orders that emphasize safety and limitations of large gatherings.

- d. Provide the Investment Committee with an annual review of the BERS's Investment Policy Statement including an assessment of the current asset allocation, spending policy and investment objectives during the meeting held in the first quarter.
 - e. Provide the Investment Committee with an annual review of the BERS's Investment Policy Statement including an assessment of the current asset allocation, spending policy and investment objectives during the meeting held in the first quarter.
 - f. Supply the Investment Committee with other reports or information as reasonably requested.
 - g. The investment vehicles must comply with the rules and regulations governing municipalities and public retirement systems by the State of Michigan.
 - h. Immediately notify the Investment Committee in writing of any material changes in its standing with the regulatory agencies that oversee its industry.
 - i. Immediately notify the Investment Committee of any issues that would impact the objectivity of the investment education or investment manager information that it provides.
6. This section and referenced documents shall constitute the Scope of Services for this project and as such all requirements must be met.

Service Enhancements

Identify and describe any enhancements, technological or otherwise the BERS should consider to improve operational or cash management efficiencies

Implied Requirements

All services not specifically mentioned in this Request for Proposals that are necessary to provide the functional capabilities described by the Investment advisory firm shall be included in the Scope of Services.

TECHNICAL PROPOSAL

General Requirements

The technical proposal should demonstrate the qualifications of the investment advisory firm and of the particular staff assigned to this engagement. It should address all points outlined in this Request for Proposals. The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the

requirements of this Request for Proposals. Responses should be organized in the same sequence as this Request for Proposals and should respond directly to each item requested. In addition to point-by-point responses, you may include descriptive literature if you refer to specific contents. While additional items may be presented, the topics in the following sections must be included. They represent the primary criteria against which the proposal will be evaluated.

Investment advisory firms are not required to re-write the items as they appear in this Request for Proposals, but should reference each response with the Section Letter/Number.

1. License to Practice in Michigan

An affirmative statement should be included indicating the firm and its professionals are qualified to practice in Michigan.

2. Qualifications and Experience

The proposal should state the size of the firm and identify the principal advisor assigned to the engagement including qualifications and experience and whether such person is licensed to practice in Michigan.

3. Managed Assets

Please provide the following information about your firm's managed assets as of **12/31/2020**.

	Firm Assets (\$MM)	% of Firm Total Assets	Discretionary OCIO AUM (\$MM)	% of Discretionary OCIO AUM
Asset Class				
Global Equities				
Global Fixed Income				
Hedge Strategies				
Private Capital				
Real Assets				
Cash and Equivalents				
Total				

4. Advisory Staff

The firm should BERS account and indicate whether each such person is located within southeastern Michigan. The firm should also indicate how the quality of staff over the term of the engagement will be assured.

Include the name, title, address, telephone number and e-mail address for key contact personnel to be assigned to the City of BERS account. Include a brief resume for each individual.

Describe the firm's compensation arrangement for advisory staff.

The firm should identify the extent to which its staff reflects the BERS's commitment to Affirmative Action.

Principal advisory and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the BERS. However, in either case, the BERS retains the right to approve or reject replacements.

5. Similar Engagements with Other Public Retirement Plans

For the firm's office that will be assigned the responsibility for the account, list the most significant current customer accounts (maximum of 5) receiving advisory services that are similar to the services described in this Request for Proposals. These accounts should be ranked based on total portfolio size. Indicate the scope of services, dates, advisors, and name, telephone number and e-mail address of the principal client contact.

Identify how the BERS¹) would rank relative to other clients of the firm in relationship to total portfolio size and complexity of services.

6. Organization, Independence and Ethics

- a. Briefly describe the firm's history including the year founded and current ownership structure. List the owners of the firm from largest to smallest percentage of ownership. Include individuals and corporate owners, and indicate which individual owners the firm employs. Do money management firm own the firm, in completely or in part?
- b. Provide the percentage of total firm revenues by services provided. Does the firm directly or indirectly charge money managers or fund management companies to be included in the firm's research database? Does the firm receive revenues from money management firms or fund management companies for their attendance at conferences or meetings sponsored by the firm? Does the firm receive any revenues from custodian banks? If yes to any, please describe the types of services provided and the fee arrangements that typically apply.
- c. What do you believe sets the firm's services apart from the competition and what unique value-added services could you provide?
- d. Has the firm, its principals or any affiliates ever (i) been the focus of a non-routine Securities and Exchange Commission (SEC) inquiry or investigation or a similar inquiry or investigation from any similar federal, state or self-regulatory body or organization, (ii) been a party to any litigation concerning fiduciary responsibility or other investment-related matters, or (iii) submitted a claim to its errors and omissions, fiduciary liability and/or fidelity bond insurance carrier(s)? If yes to any, please provide details.

- e. Has the firm ever received loans from any money management firm, any fund management company, or any of their respective subsidiaries or principals? If yes, please explain.
- f. Does the firm, its principals, or any affiliate own any part of a money management firm, fund management company, broker-dealer, or other organization that sells services to institutional investors and/or SEC registered investment advisors? If so, identify the firm(s) and describe the service and the relationship to the consulting group.
- g. Does the firm, its principals or any affiliate have any “strategic alliance” with any broker, investment management firm, or fund management company? If yes, please disclose with whom and describe the nature of the alliance.
- h. What is the firm’s website address?

7. Investment Management Approach

- a. Describe the firm’s philosophy as it pertains to providing investment advice. List any portfolio structure biases in the following areas:
 - Active versus passive management
 - Capitalization (e.g., overweight to mid/small)
 - Style (growth tilt, value tilt, or neutral)
- b. Describe how the firm works with clients to develop and design an asset allocation structure including the types of investment offerings.
- c. Does the firm have beliefs about the investment markets that underpin the firm’s investment advice?
- d. How does the firm analyze investment options?
- e. Does the firm utilize exclusively proprietary funds and/or offer a mix of fund offerings? If offer proprietary funds, what level of transparency do you receive from underlying managers (i.e. security level positions, counterparty exposure, etc.) both in traditional and alternative asset classes? How is transparency used to monitor and evaluate managers and strategies?
- f. Describe how the firm monitors portfolio performance and at what point recommendations would be made.
- g. What primary strategies are employed by the firm for adding value to portfolios?
- h. Describe the firm’s research capabilities.
- i. Describe the experience the firm has with alternative investments (e.g., venture capital, private equity, real estate, hedge funds, etc.). Does the firm have alternative investment specialists? Provide a description of how alternative

investments are used in current clients' portfolios, including dollars and percentage committed and number of clients utilizing this asset class

- j. Long-term Alternative Investments
 - Briefly describe the firm's accessibility to long-term alternative investment funds and the balance requirements for clients to invest in those funds.
 - Briefly describe the firm's capability to manage capital calls on behalf of clients.
 - Is the firm able to take over the BERS's long-term alternative investment funds and manage capital calls? If so, would a separate contract or agreement be needed?
 - k. Is there any difference in how pension plan portfolios are managed from other portfolios such as operating or endowment?
8. Performance Measurement and Evaluation
- a. Describe the methods and sources of data used for analyzing the performance of investment managers and the portfolio. Specifically, include the monitoring of performance, risk, style integrity, manager guideline compliance, account restrictions, etc.
 - b. How many business days after the end of a reporting period are the performance reports available? Can the reports be customized?
 - c. Provide sample quarterly client reporting and a sample monthly performance update.
9. Risk Management
- a. Describe the firm's risk management process and systems used.
 - b. Describe how the firm measures risk of client portfolios.
 - c. Describe the process for managing and monitoring counterparty risk.
 - d. Describe the firm's security practices to ensure confidentiality and privacy of client data and integrity. How often are security audits performed?
 - e. Provide an overview of the firm's disaster recovery plan including how quickly back-up facilities will be activated and available to the BER
10. Related Parties/Conflicts of Interest

Please identify any related party relationship(s) or conflict(s) of interest between the BERS and the investment advisory firm. A list of the BERS Retirement Board and Officers is included as Appendix C.

Proposed Fee Schedule

The BERS will not be responsible for the expenses incurred in preparing and submitting this proposal

The investment advisory firm shall provide a proposed fee structure on **Attachment C** for the services as outlined in this Request for Proposals, and any other fees that may be proposed. Fees may include, but are not limited to advisory fee, manager advisory fees, and fund servicing expenses.

Oral Presentation

During the evaluation process, the Selection Committee may, at its discretion, request any one or all investment advisory firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the committee may have on a firm's proposal. Not all firms may be asked to make such an oral presentation. Oral presentations will take place on **Thursday, April 13, 2021 and Friday, April 14, 2021**. You will be contacted if you are selected to present.

Final Selection

The Retirement Investment Committee will recommend an investment advisory firm for approval by the Birmingham Employees Retirement Board and Retiree Health Care Fund Investment Committee.

We anticipate that an investment advisory firm will be selected by **Thursday, July 20, 2021**. Following notification of the investment advisory firm selected, it is expected that a contract will be executed on or about **July 31, 2021**.

TERMS AND CONDITIONS

1. Submission of a proposal indicates acceptance by the investment advisory firm of the conditions contained in this Request for Proposals unless clearly and specifically noted in the proposal submitted.
2. The BERS reserves the right, without prejudice, to reject any or all proposals or parts thereof for any reason, to negotiate changes to proposal terms and to waive minor inconsistencies with the request for proposals. The BERS reserves the right to award the contract to the next most qualified Advisor if the successful Advisor does not execute a contract within ten (10) days after the award of the proposal.
3. The BERS reserves the right to request clarification of information submitted and to request additional information of one or more Advisors.
4. The BERS reserves the right to terminate the contract at its discretion should it be determined that the services provided do not meet the specifications contained herein. The BERS may terminate this Agreement at any point in the process upon notice to Advisor sufficient to indicate the BERS's desire to do so. In the case of

such a stoppage, the BERS agrees to pay Advisor for services rendered to the time of notice, subject to the contract maximum amount.

5. Any proposal may be withdrawn up until the date and time set above for the opening of the proposals. Any proposals not so withdrawn shall constitute an irrevocable offer, for a period of ninety (90) days, to provide the services set forth in the proposal.
6. The cost of preparing and submitting a proposal is the responsibility of the Advisor and shall not be chargeable in any manner to the BERS.
7. Payment will be made within thirty (30) days after invoice. Acceptance by the BERS is defined as authorization by the designated BERS representative to this project that all the criteria requested under the Scope of Work contained herein have been provided. Invoices are to be rendered each month following the date of execution of an Agreement with the BERS.
8. The successful bidder shall enter into and will execute the Agreement as set forth and attached as Attachment A.

EVALUATION PROCEDURE AND CRITERIA

The evaluation panel will consist of the BERS staff and any other person(s) designated by the City who will evaluate the proposals based on, but not limited to, the following criteria:

1. Ability to provide services as outlined.
2. Related experience with similar public pension plans, Advisor background, and personnel qualifications.
3. Overall Costs.
4. References.

*IF OTHER CRITERIA WILL BE USED IN DETERMINING THE BID AWARD, IT MUST BE LISTED HERE.

BIDDER'S RESPONSIBILITIES

Each bidder shall provide the following as part of their proposal:

1. Complete and sign all forms requested for completion within this RFP.
 - a. Bidder's Agreement (Attachment B)
 - b. Cost Proposal (Attachment C)
 - c. Iran Sanctions Act Vendor Certification Form (Attachment D)
 - d. Agreement (Attachment A) – **only if selected by the BERS**.
2. Provide a description of the firm, including resumes and professional qualifications of the principals involved in administering the project.

3. Provide three (3) client references from past projects, include current phone numbers. At least two (2) of the client references should be for projects utilizing the same materials included in the Advisor's proposal.

*ANY ADDITIONAL ITEMS FOR WHICH THE ADVISOR WILL BE RESPONSIBLE MUST BE LISTED HERE.

BERS RESPONSIBILITY

1. The BERS will provide a designated representative to work with the Advisor to coordinate both the BERS's and Advisor's efforts.
2. The BERS will provide access to the City of Birmingham during regular business hours or during nights and weekends as approved by the City's designated representative.

*ANY ADDITIONAL ITEMS FOR WHICH THE ADVISOR WILL BE RESPONSIBLE MUST BE LISTED HERE.

SETTLEMENT OF DISPUTES

The successful bidder agrees to certain dispute resolution avenues/limitations. Please refer to paragraph 17 of the Agreement attached as Attachment A for the details and what is required of the successful bidder.

INSURANCE

The successful bidder is required to procure and maintain certain types of insurances. Please refer to paragraph 12 of the Agreement attached as Attachment A for the details and what is required of the successful bidder.

CONTINUATION OF COVERAGE

The Advisor also agrees to provide all insurance coverages as specified. Upon failure of the Advisor to obtain or maintain such insurance coverage for the term of the agreement, the BERS may, at its option, purchase such coverage and subtract the cost of obtaining such coverage from the contract amount. In obtaining such coverage, Birmingham shall have no obligation to procure the most cost effective coverage but may contract with any insurer for such coverage.

EXECUTION OF AGREEMENT

The bidder whose proposal is accepted shall be required to execute the Agreement and to furnish all insurance coverages as specified within ten (10) days after receiving notice of such acceptance. Any contract awarded pursuant to any bid shall not be binding upon the BERS until both parties have executed a written agreement. Failure or refusal to execute the Agreement Contract may be awarded to another. The successful bidder agrees to enter into and will execute the Agreement as set forth and attached as Attachment A.

INDEMNIFICATION

The successful bidder agrees to indemnify the BERS and various associated persons. Please refer to paragraph 13 of the Agreement attached as Attachment A for the details and what is required of the successful bidder.

CONFLICT OF INTEREST

The successful bidder is subject to certain conflict of interest requirements/restrictions. Please refer to paragraph 14 of the Agreement attached as Attachment A for the details and what is required of the successful bidder.

EXAMINATION OF PROPOSAL MATERIALS

The submission of a proposal shall be deemed a representation and warranty by the Advisor that it has investigated all aspects of the RFP, that it is aware of the applicable facts pertaining to the RFP process and its procedures and requirements, and that it has read and understands the RFP. Statistical information which may be contained in the RFP or any addendum thereto is for informational purposes only.

ATTACHMENT A - RETIREMENT INVESTMENT ADVISOR AGREEMENT
For BIRMINGHAM EMPLOYEES RETIREMENT SYSTEM

This AGREEMENT, made this _____ day of _____, 2021, by and between THE BIRMINGHAM EMPLOYEES RETIREMENT SYSTEM , having its principal municipal office at 151 Martin Street, Birmingham, MI (hereinafter sometimes called "BERS"), and _____, Inc., having its principal office at _____ (hereinafter called "Advisor"), provides as follows:

WITNESSETH:

WHEREAS, the BERS is desirous of hiring a qualified

WHEREAS, the BERS has heretofore advertised for bids for the procurement and performance of services required to perform Investment Advisory services for the Birmingham Employees Retirement System, and in connection therewith has prepared a request for sealed proposals ("RFP"), which includes certain instructions to bidders, specifications, terms and conditions.

WHEREAS, the Advisor has professional qualifications that meet the requirements and has made a bid in accordance with such request for cost proposals to perform investment advisory services for the BERS.

NOW, THEREFORE, for and in consideration of the respective agreements and undertakings herein contained, the parties agree as follows:

1. It is mutually agreed by and between the parties that the documents consisting of the Request for Proposal to perform investment advisory services for the BERS and the Advisor's cost proposal dated _____, 2021 shall be incorporated herein by reference and shall become a part of this Agreement, and shall be binding upon both parties hereto. If any of the documents are in conflict with one another, this Agreement shall take precedence, then the RFP.
2. The BERS shall pay the Advisor for the performance of this Agreement in an amount not to exceed _____, as set forth in the Advisor's _____, 2021 cost proposal.
3. This Agreement shall commence upon execution by both parties, unless the BERS exercises its option to terminate the Agreement in accordance with the Request for Proposals.
4. The Advisor shall employ personnel of good moral character and fitness in performing all services under this Agreement.
5. The Advisor and the City agree that the Advisor is acting as an independent Advisor with respect to the Advisor's role in providing services to the BERS pursuant to this Agreement, and as such, shall be liable for its own actions and neither the Advisor nor its employees shall be construed as employees of the BERS. Nothing contained in

this Agreement shall be construed to imply a joint venture or partnership and neither party, by virtue of this Agreement, shall have any right, power or authority to act or create any obligation, express or implied, on behalf of the other party, except as specifically outlined herein. Neither the BERS nor the Advisor shall be considered or construed to be the agent of the other, nor shall either have the right to bind the other in any manner whatsoever, except as specifically provided in this Agreement, and this Agreement shall not be construed as a contract of agency. The Advisor shall not be entitled or eligible to participate in any benefits or privileges given or extended by the BERS, or be deemed an employee of the BERS for purposes of federal or state withholding taxes, FICA taxes, unemployment, workers' compensation or any other employer contributions on behalf of the BERS.

6. The Advisor acknowledges that in performing services pursuant to this Agreement, certain confidential and/or proprietary information (including, but not limited to, internal organization, methodology, personnel and financial information, etc.) may become involved. The Advisor recognizes that unauthorized exposure of such confidential or proprietary information could irreparably damage the BERS. Therefore, the Advisor agrees to use reasonable care to safeguard the confidential and proprietary information and to prevent the unauthorized use or disclosure thereof. The Advisor shall inform its employees of the confidential or proprietary nature of such information and shall limit access thereto to employees rendering services pursuant to this Agreement. The Advisor further agrees to use such confidential or proprietary information only for the purpose of performing services pursuant to this Agreement.

7. This Agreement shall be governed by and performed, interpreted and enforced in accordance with the laws of the State of Michigan. The Advisor agrees to perform all services provided for in this Agreement in accordance with and in full compliance with all local, state and federal laws and regulations.

8. If any provision of this Agreement is declared invalid, illegal or unenforceable, such provision shall be severed from this Agreement and all other provisions shall remain in full force and effect.

9. This Agreement shall be binding upon the successors and assigns of the parties hereto, but no such assignment shall be made by the Advisor without the prior written consent of the BERS. Any attempt at assignment without prior written consent shall be void and of no effect.

10. The Advisor agrees that neither it nor its sub Advisors will discriminate against any employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment, or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, height, weight or marital status. The Advisor shall inform the BERS of all claims or suits asserted against it by the Advisor's employees who work pursuant to this Agreement. The Advisor shall provide the BERS with periodic status reports concerning all such claims or suits, at intervals established by the BERS.

11. The Advisor shall not commence work under this Agreement until it has, at its sole expense, obtained the insurance required under this paragraph. All coverages shall be with insurance companies licensed and admitted to do business in the State of Michigan. All coverages shall be with carriers acceptable to the BERS.

12. The Advisor shall maintain during the life of this Agreement the applicable types of insurance coverage and minimum limits as set forth below:

A. Workers' Compensation Insurance:

For Non-Sole Proprietorships: Advisor shall procure and maintain during the life of this Agreement, Workers' Compensation Insurance, including Employers Liability Coverage, in accordance with all applicable statutes of the State of Michigan.

For Sole Proprietorships: Advisor shall complete and furnish to the BERS prior to the commencement of work under this Agreement a signed and notarized Sole Proprietor Form, for sole proprietors with no employees or with employees, as the case may be.

B. Commercial General Liability Insurance: Advisor shall procure and maintain during the life of this Agreement, Commercial General Liability Insurance on an "Occurrence Basis" with limits of liability not less than **\$1,000,000** per occurrence combined single limit, Personal Injury, Bodily Injury and Property Damage. Coverage shall include the following extensions: (A) Contractual Liability; (B) Products and Completed Operations; (C) Independent Advisors Coverage; (D) Broad Form General Liability Extensions or equivalent; (E) Deletion of all Explosion, Collapse and Underground (XCU) Exclusions, if applicable.

C. Motor Vehicle Liability: Advisor shall procure and maintain during the life of this Agreement Motor Vehicle Liability Insurance, including all applicable no-fault coverages, with limits of liability of not less than \$1,000,000 per occurrence combined single limit Bodily Injury and Property Damage. Coverage shall include all owned vehicles, all non-owned vehicles, and all hired vehicles.

D. Additional Insured: Commercial General Liability and Motor Vehicle Liability Insurance, as described above, shall include an endorsement stating the following shall be *Additional Insureds:* The BERS, including all elected and appointed officials, all employee and volunteers, all boards, commissions and/or authorities and board members, including employees and volunteers thereof. This coverage shall be primary to any other coverage that may be available to the additional insured, whether any other available coverage by primary, contributing or excess.

E. Professional Liability: Professional liability insurance with limits of not less than \$1,000,000 per claim if Advisor will provide service that are customarily subject to this type of coverage.

- F. Pollution Liability Insurance: Advisor shall procure and maintain during the life of this Agreement Pollution Liability Insurance, with limits of liability of not less than \$1,000,000, per occurrence preferred, but claims made accepted.
 - G. Owners Advisors Protective Liability: The Advisor shall procure and maintain during the life of this contract, an Owners Advisors Protective Liability Policy with limits of liability not less than \$3,000,000 per occurrence, combined single limit, Personal Injury, Bodily Injury and Property Damage. The BERS shall be "Name Insured" on said coverage.
 - H. Cancellation Notice: Should any of the above described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions.
 - I. Proof of Insurance Coverage: Advisor shall provide the BERS at the time the Agreement is returned for execution, Certificates of Insurance and/or policies, acceptable to the BERS, as listed below.
 - 1) Two (2) copies of Certificate of Insurance for Workers' Compensation Insurance;
 - 2) Two (2) copies of Certificate of Insurance for Commercial General Liability Insurance;
 - 3) Two (2) copies of Certificate of Insurance for Vehicle Liability Insurance;
 - 4) Two (2) copies of Certificate of Insurance for Professional Liability Insurance;
 - 5) If so requested, Certified Copies of all policies mentioned above will be furnished.
 - J. Coverage Expiration: If any of the above coverages expire during the term of this Agreement, Advisor shall deliver renewal certificates and/or policies to the BERS at least (10) days prior to the expiration date.
 - K. Maintaining Insurance: Upon failure of the Advisor to obtain or maintain such insurance coverage for the term of the Agreement, the BERS may, at its option, purchase such coverage and subtract the cost of obtaining such coverage from the Agreement amount. In obtaining such coverage, the BERS shall have no obligation to procure the most cost-effective coverage but may contract with any insurer for such coverage.
13. To the fullest extent permitted by law, the Advisor and any entity or person for whom the Advisor is legally liable, agrees to be responsible for any liability, defend, pay on behalf of, indemnify, and hold harmless the City of Birmingham and the BERS, its elected and appointed officials, employees and volunteers and others working on behalf of the City of Birmingham and the BERS against any and all claims, demands, suits, or loss, including all costs and reasonable attorney fees connected therewith, and for any damages which may be asserted, claimed or recovered against or from and the BERS,

its elected and appointed officials, employees, volunteers or others working on behalf of the BERS by reason of personal injury, including bodily injury and death and/or property damage, including loss of use thereof, which arises out of or is in any way connected or associated with this Agreement. Such responsibility shall not be construed as liability for damage caused by or resulting from the sole act or omission of its elected or appointed officials, employees, volunteers or others working on behalf of the BERS.

14. If, after the effective date of this Agreement, any official of the BERS, or spouse, child, parent or in-law of such official or employee shall become directly or indirectly interested in this Agreement or the affairs of the Advisor, the BERS shall have the right to terminate this Agreement without further liability to the Advisor if the disqualification has not been removed within thirty (30) days after the BERS has given the Advisor notice of the disqualifying interest. Ownership of less than one percent (1%) of the stock or other equity interest in a corporation or partnership shall not be a disqualifying interest. Employment shall be a disqualifying interest.

15. If Advisor fails to perform its obligations hereunder, the BERS may take any and all remedial actions provided by the general specifications or otherwise permitted by law.

16. All notices required to be sent pursuant to this Agreement shall be mailed to the following addresses:

City of Birmingham
Attn: Mark Gerber,
Finance Director/
Treasurer
P.O.Box 3001
Birmingham, MI 48009
248-530-1814

ADVISOR
(Insert Advisor Information)

17. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled either by commencement of a suit in Oakland County Circuit Court, the 48th District Court or by arbitration. If both parties elect to have the dispute resolved by arbitration, it shall be settled pursuant to Chapter 50 of the Revised Judicature Act for the State of Michigan and administered by the American Arbitration Association with one arbitrator being used, or three arbitrators in the event any party's claim exceeds \$1,000,000. Each party shall bear its own costs and expenses and an equal share of the arbitrator's and administrative fees of arbitration. Such arbitration shall qualify as statutory arbitration pursuant to MCL§600.5001 et. seq., and the Oakland County Circuit Court or any court having jurisdiction shall render judgment upon the award of the arbitrator made pursuant to this Agreement. The laws of the State of Michigan shall govern this Agreement, and the arbitration shall take place in Oakland County, Michigan. In the event that the parties elect not to have the matter in dispute arbitrated, any dispute between the parties may be resolved by the filing of a suit in the Oakland County Circuit Court or the 48th District Court.

18. **FAIR PROCUREMENT OPPORTUNITY:** Procurement for the Birmingham Employees Retirement System will be handled in a manner providing fair opportunity for all businesses. This will be accomplished without abrogation or sacrifice of quality and as determined to be in the best interest of the City of Birmingham.

IN WITNESS WHEREOF, the said parties have caused this Agreement to be executed as of the date and year above written.

WITNESSES:

ADVISOR

By: _____

Its: _____

**BIRMINGHAM EMPLOYEES
RETIREMENT SYSTEM**

By: _____
Mark Gerber, Secretary/Treasurer

By: _____
[REDACTED]
Its: City Clerk

Approved:

DEPARTMENT HEAD
(Approved as to substance)

Mark Gerber, Director of Finance
(Approved as to financial obligation)

Timothy J. Currier, City Attorney
(Approved as to form)

[REDACTED], City Manager
(Approved as to substance)

ATTACHMENT B - BIDDER'S AGREEMENT
For RETIREMENT INVESTMENT ADVISOR

In submitting this proposal, as herein described, the Advisor agrees to the following:

The advisor carefully examined the specifications, terms and Agreement of the Request for Proposal and all other provisions of this document and understand the meaning, intent, and requirement of it.

The advisor certifies it can and will provide and make available, at a minimum, all services set forth in Section 4, "Nature of Services Required."

The advisor warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts or omissions of any officers, employees or agents thereof.

The advisor warrants that it will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of **BERS**.

The advisor warrants that all information provided by it in connection with this proposal is true and accurate.

The advisor agrees all data, material and documentation originated and prepared for the **BERS** pursuant to this Request for Proposals shall belong exclusively to the **BERS**. Upon termination of the Proposal, all such data, material and documentation shall be returned to the **BERS**. The proposer shall exercise due care to keep in confidence and not disclose, release, or duplicate confidential information to any individual other than its own employees who have a "need to know" in order to prepare the proposal. The proposer, if selected, agrees to sign a Nondisclosure Agreement.

PRINT NAME AND TITLE OF OFFICIAL

E-MAIL ADDRESS

SIGNATURE OF OFFICIAL

DATE

FIRM NAME

FIRM ADDRESS

PHONE

ATTACHMENT C – PROPOSED FEE SCHEDULE
For RETIREMENT INVESTMENT ADVISOR

In order for the bid to be considered valid, this form must be completed in its entirety. The cost for the Scope of Work as stated in the Request for Proposal documents shall be a lump sum, as follows:

BERS will not be responsible for the expenses incurred in preparing and submitting this proposal

The investment advisory firm shall provide a proposed fee structure for the services set forth in **Section 3**, “Nature of Services Required,” and any other fees that may be proposed. Fees may include, but are not limited to advisory fee, manager advisory fees, and fund servicing expenses

COST PROPOSAL	
ITEM	BID AMOUNT
Advisory Fee	\$
Manager Advisory Fees	\$
Fund Servicing Expenses	\$
TOTAL BID AMOUNT	\$

ADDITIONAL BID ITEMS	
	\$
	\$
GRAND TOTAL AMOUNT	\$

UNIT COST BID ITEMS		
	\$	per

Firm Name_____

Authorized signature_____ Date_____

ATTACHMENT D - IRAN SANCTIONS ACT VENDOR CERTIFICATION FORM
For RETIREMENT INVESTMENT ADVISOR

Pursuant to Michigan Law and the Iran Economic Sanction Act, 2012 PA 517 ("Act"), prior to the City accepting any bid or proposal, or entering into any contract for goods or services with any prospective Vendor, the Vendor must certify that it is not an "Iran Linked Business", as defined by the Act.

By completing this form, the Vendor certifies that it is not an "Iran Linked Business", as defined by the Act and is in full compliance with all provisions of the Act and is legally eligible to submit a bid for consideration by the City.

PREPARED BY
(Print Name)

DATE

TITLE

DATE

AUTHORIZED SIGNATURE

E-MAIL ADDRESS

COMPANY

ADDRESS

PHONE

NAME OF PARENT COMPANY

PHONE

ADDRESS

TAXPAYER I.D.#

ATTACHMENT E – KEY PERSONNEL LISTING

Retirement Board– 2020

Matthew Bartalino, Fire Member

Pierre Boutros, Mayor

Christopher Conti, Citizen Member (Chairman of the Retirement Board)

Bruce Johnson, General Member

Therese Longe, Commission Member

Joseph Valentine, Manager

Jeffrey Whipple, Police Member

Vacant, Retiree/Beneficiary Member

Retirement Investment Committee

Christopher Conti, Retirement Board Member

Mark Gerber, Finance Director/Treasurer

Richard Aginian, Citizen Member

Retiree Health Care Fund Investment Committee

Pierre Boutros, Mayor

Christopher Conti, Citizen Member

Mark Gerber, Finance Director/Treasurer

Ruth Rowland, Employee Member

Joseph Valentine, City Manager

Secretary/Treasurer

Mark Gerber serves as the secretary/treasurer for the Birmingham Employees Retirement System and the Retiree Health Care Fund Investment Committee