External Quality Assessment Review (QAR)
REQUEST FOR PROPOSALS (RFP)
June 8, 2015

QUOTES AND SUPPORTING MATERIALS MUST BE RECEIVED BY:
5:00 P.M., August 6, 2015
SEE PAGE 6 FOR FULL TIMELINE
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I. Introduction and Conditions

Purpose
Los Angeles County Employees Retirement Association (LACERA) is seeking qualified auditors to submit proposals to perform the following:

1. Assess the conformity of Internal Audit practices to The Institute of Internal Auditor’s *International Standards for the Professional Practice of Internal Auditing*.

2. Evaluate the efficiency and effectiveness of Internal Audit in carrying out its mission as set forth in its charter and expressed in the expectations of the LACERA Audit Committee.

3. Identify opportunities to enhance Internal Audit’s management of resources and work processes, as well as its value to LACERA.

About LACERA
LACERA is a defined benefit pension fund established to provide retirement benefits to employees of the County of Los Angeles and other participating agencies pursuant to the County Employees Retirement Law (CERL) of 1937, California Government Code Section 31450, et seq. LACERA operates as an independent governmental entity separate and distinct from Los Angeles County. LACERA administers the Retirement Plan and Other Post-Employment Benefits (OPEB) Program primarily for Los Angeles County and its employees. LACERA retains 380 employees to provide retirement, disability, and death benefits for 59,223 retired members as well as services for 92,466 active members, and also to administer the Plan Sponsors’ retiree health benefits program.

Established in 1992, LACERA's Internal Audit is comprised of 10 Full Time Employees including two Principal Internal Auditors, two Senior Internal Auditors, three Internal Auditors, and a Secretary. Audit staff work under the direction of the Chief Audit Executive. (Please see Appendix D.)

A. General Conditions
This RFP is not an offer to contract. Acceptance of a proposal neither commits LACERA to award a contract to any vendor even if all requirements stated in this RFP have been met, nor does it limit our right to negotiate in our best interest. LACERA reserves the right to contract with a vendor for reasons other than lowest price.

Failure to answer any question in this RFP may subject the proposal to disqualification. However, failure to meet a qualification or requirement will not necessarily subject a proposal to disqualification.
Publication of this RFP does not limit LACERA’s right to negotiate for the services described in this RFP. If deemed by LACERA to be in its best interests, LACERA may negotiate for the services described in this RFP with a party that did not submit a proposal. LACERA reserves the right to choose to not enter into an agreement with any of the respondents to this request for proposals.

1. **Notice Regarding the California Public Records Act**

   The information you submit in response to this RFP will be subject to public disclosure pursuant to the California Public Records Act (Cal. Gov. 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 you believe that any portion of your proposal is exempt from public disclosure under the Act, you must mark such portion “TRADE SECRETS,” “CONFIDENTIAL,” or “PROPRIETARY,” and make it readily separable from the balance of your response. Proposals marked “TRADE SECRET,” “CONFIDENTIAL,” or “PROPRIETARY” in their entirety will not be honored, and LACERA will not deny public disclosure of all or any portion of proposals so marked.

   By submitting a proposal with material marked “TRADE SECRET,” “CONFIDENTIAL,” or “PROPRIETARY” you represent you have a good faith belief that the material is exempt from disclosure under the Act; however, such designations will not necessarily be conclusive, and you may be required to justify in writing why such material should not, upon request, be disclosed by LACERA under the Act.

   LACERA will use reasonable means to ensure that material marked “TRADE SECRET,” “CONFIDENTIAL,” or “PROPRIETARY” is safeguarded and held in confidence. LACERA will not be liable, however, for inadvertent disclosure of such material.

   If LACERA denies public disclosure of any materials designated as “TRADE SECRET,” “CONFIDENTIAL,” or “PROPRIETARY”, you agree to reimburse LACERA for, and to indemnify, defend and hold harmless LACERA, its officers, fiduciaries, employees and agents from and against:
(a) any and all claims, damages, losses, liabilities, suits, judgments, fines, penalties, costs and expenses including, without limitation, attorneys' fees, expenses and court costs of any nature whatsoever (collectively, "Claims") arising from or relating to LACERA's non-disclosure of any such designated portions of your proposal; and

(b) any and all Claims arising from or relating to LACERA's public disclosure of any such designated portions of your proposal if LACERA reasonably determines disclosure is deemed required by law, or if disclosure is ordered by a court of competent jurisdiction.

If LACERA staff recommends any Bidder(s) to the Board of Retirement or any of the Boards’ Committees for hiring, such recommendation and the relevant proposal(s) will appear on a publicly posted agenda for public meetings of the Board and Committee.

2. **Reservations by LACERA**
   
a. LACERA reserves the right to cancel this RFP, in whole or in part, any time before the closing date.
b. If you submit a proposal, LACERA reserves the right to make such investigations as it deems necessary to determine your ability to furnish the required services, and you agree to furnish all such information for this purpose as LACERA may request.
c. LACERA also reserves the right to reject the proposal of anyone 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.
d. LACERA reserves the right to waive minor 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.
e. LACERA reserves the right to 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 LACERA, which may not be the proposal offering the lowest fees.
f. LACERA does not guarantee or commit to contracting any specific number of projects to you during the life of a subsequent agreement.
g. LACERA may, at its sole discretion, reject any or all proposals submitted in response to this RFP.
h. LACERA reserves the right to request a best and final offer.
3. **Ownership of Proposals**
   The information you submit in response to this RFP becomes the exclusive property of LACERA. LACERA will not return your proposal or reimburse you for proposal preparation expenses.

4. **Valid Period of Quote**
   The pricing, terms and conditions stated in your response must remain valid for 120 days from the date of delivery of your quotation to our company.

5. **Cost of Quotation**
   LACERA shall not be liable for any costs respondents incur in connection with the preparation or submission of a quotation.

6. **Contract Approval**
   Following the satisfactory completion of negotiations, a contract agreement may be submitted to the Board of Retirement for approval.

7. **Notice Regarding Subcontractors**
   Regarding work to be performed by Subcontractors in relationship to this project, contracts between the selected vendor and Subcontractors shall be bound by the terms and conditions of the agreement made between the selected vendor and LACERA.

8. **Certificate Regarding Third Party Fees**
   The vendor must return the document called “Certification Regarding Third Party Fees” (Appendix A) signed by an authorized officer of the company.

9. **Insurance Requirements**
   The vendor shall, at its own expense, provide and maintain insurance coverage including Comprehensive General Liability with a combined single limit of not less than $1,000,000 per occurrence, Workers’ Compensation, Employer’s Liability, Professional Liability, Fidelity, Transit of Valuable Records, Records Destruction, and Comprehensive Auto Liability.
II. RFP Process

A. RFP Calendar

<table>
<thead>
<tr>
<th>Item</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>RFP Issued</td>
<td>6/8/2015</td>
</tr>
<tr>
<td>Intent to Respond</td>
<td>6/19/2015</td>
</tr>
<tr>
<td>Written Questions and Additional Clarification are Due</td>
<td>6/26/2015</td>
</tr>
<tr>
<td>Response to Written Questions are Posted</td>
<td>7/7/2015</td>
</tr>
<tr>
<td>Quotes are Due</td>
<td>8/6/2015</td>
</tr>
<tr>
<td>Vendor Selection and Notification</td>
<td>9/14/2015</td>
</tr>
<tr>
<td>Anticipated Contract Start Date</td>
<td>10/5/2015</td>
</tr>
</tbody>
</table>

B. Contacts with LACERA Personnel

Contacts with LACERA personnel regarding this RFP, and all inquiries and requests for information shall be directed to the Point of Contact:

Darla Vidger  
Internal Auditor  
LACERA  
Gateway Plaza  
300 North Lake Avenue, Suite 840  
Pasadena, CA 91101-4199  
Email: dvidger@lacera.com  
Phone: (626) 564-2467

C. Intent to Respond

If your firm chooses to respond to this RFP, please submit the Intent to Respond, (Appendix E), via email to Darla Vidger **by 5:00 p.m. PST, June 19, 2015.** Failure to submit your Intent to Respond may disqualify your firm from submitting a response to this RFP.
D. **RFP Questions**

All questions, inquiries, and requests for additional information concerning this RFP, should be directed to the Point of Contact, either by mail or email no later than **June 26, 2015**. LACERA’s responses to written requests for clarification, or additional information, will be provided to all firms who have submitted an Intent to Respond.

E. **Errors in the RFP**

If you discover an ambiguity, conflict, discrepancy, omission or other error in the RFP, immediately notify Darla Vidger. Required modifications or clarifications of the RFP will be made by addenda to the RFP. The clarification will not identify the source of the request.

If a respondent fails to notify LACERA of a known error in the RFP (or one that the respondent reasonably should have known) prior to submission of their proposal, the respondent submits their proposal at their own risk. If awarded a contract under these circumstances, the successful respondent will not be entitled to additional compensation or time due to the error or its later correction.

F. **Addenda**

LACERA may modify the RFP, prior to the RFP due date, by issuance of an addendum. It will be the responsibility of the respondents to check the internet for addenda to the RFP. The RFP and any addenda can be found at LACERA.com in the “RFPs” page.

G. **Delivery of Submissions**

Submissions (not marketing materials) must be delivered in PDF or Microsoft Word format via email by the RFP due date. In addition, bidders must send three (3) hardcopy submissions which all are due to the Point of Contact specified in section _____ no later than 5:00 p.m., PST on **August 6, 2015**.

In addition, please send one unbound hardcopy and one electronic copy in PDF format, each marked "REDACTED" to [See Below]. The redacted copies should exclude all material from your proposal that you believe in good faith is exempt from disclosure under the California Public Records Act, Cal. Government Code section 6250 et seq. Redactions should appear as blacked out material or blank page(s) with the word "REDACTED" or "PROPRIETARY" inserted. Please also indicate the basis for the redaction under the Act. Please see page 3 of 38 “NOTICE TO RESPONDENTS REGARDING THE PUBLIC RECORDS ACT” for further information.
H. **Vendor Selection**

A contract, if awarded, will not be awarded solely based on the lowest price. Rather, each accepted proposal will be evaluated by a committee that will determine which vendor best meets the project requirements and would provide the best value to LACERA. Refer to section IV.A for the evaluation criteria.

III. **Service Requirements**

A. **Scope of Services**

Los Angeles County Employees Retirement Association (LACERA) is seeking qualified auditors to submit proposals to perform the following:

1. Assess the conformity of Internal Audit practices to The Institute of Internal Auditor’s *International Standards for the Professional Practice of Internal Auditing*(IIA Standards).

2. Evaluate the efficiency and effectiveness of Internal Audit in carrying out its mission as set forth in its charter and expressed in the expectations of the LACERA Audit Committee.

3. Identify opportunities to enhance Internal Audit’s management of resources and work processes, as well as its value to LACERA.

B. **Deliverables**

A detailed project plan should be developed which must include periodic updates presented to the Project Coordinator and relevant staff. A preliminary summary report and a final quality assessment review report, both to include observations, findings and organizational change recommendations, will be presented to the Project Coordinator and relevant staff.

The review will be confidential, with the results only provided to designated LACERA representatives. The independent party shall prepare a written report upon completion of the external quality assessment that is addressed to the CEO and the audit committee. A presentation on the external quality assessment results will be made to the LACERA Audit Committee and should not contain any sensitive information.
Recommendations should include, but are not limited to, updates to current internal audit policy, training, and practices, including monitoring, and procedures to meet current industry best practices. Any such findings and conclusions should be accompanied by a cost/benefit and cost/risk analysis for each recommendation.

C. Information Security
The vendor will ensure the security of any and all information transferred into its custody.

LACERA information will be secured against loss, damage, and access by unauthorized persons, including unnecessary vendor staff.

IV. Quote Preparation and Evaluation

A. Evaluation Criteria
Each submission will be evaluated as follows.

<table>
<thead>
<tr>
<th>Sections</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Background &amp; Experience</td>
<td>25</td>
</tr>
<tr>
<td>Consultant Team</td>
<td>25</td>
</tr>
<tr>
<td>Methodology &amp; Reporting</td>
<td>35</td>
</tr>
<tr>
<td>Fees</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Other considerations for evaluating responses may include:

- Compliance with RFP instructions and format
- Clarity and completeness of RFP responses.
- Experience completing projects similar in size and scope to the project described in this RFP.
B. Proposal Format

All responses to this RFP should follow the outlined formatting described in this section. Vendors are welcome to provide additional information. However, all information provided should be concise and clearly relevant to the information requested.

For each of your responses, restate the RFP item immediately above your response. When requested, please provide details and state all qualifications or exceptions. All fee quotes should be “best and final.”

Cover Letter

This letter should provide a statement to explicitly affirm that the signatory on the cover letter is empowered and authorized to bind the vendor to the contract.

Background & Experience

In this section we request that you provide an overview of your company including, but not necessarily limited to:

1. A brief history of your company that includes the number of years your firm has been in existence, the primary markets served, and experience directly related to the services that we are seeking.

2. The location of your corporate headquarters. Be sure to provide the address and contact information of your headquarters and, if applicable, local offices.

3. Key success factors and what differentiates you from your competitors as well as any awards or certificates received.

4. Describe your company’s hiring process and selection criteria for permanent and temporary staff. Please explicitly affirm that your company does not discriminate against any individual because of race, religion, sex, color, age, handicap or national origin, and that these are not a factor in consideration for employment, selection of training, promotion, transfer, recruitment, rates of pay, or other forms of compensation, demotion, or separation.

5. Provide profiles and/or curriculum vitae of your key managers.

6. Describe any know or perceived conflicts of interest which may result if your firm were engaged to perform this service. Has your firm provided consulting services to LACERA within the past five years? If so, please describe.
**Assigned Consultants**

1. Indicate whether you would employ permanent or contract staff to complete this project and what role they would perform.

2. Include the names of all personnel, including the lead consultant, expected to be assigned to the project, including a detailed profile and/or curriculum vitae for each person.

3. Include the lead consultant’s and team’s successful history and experience in meeting the objectives of similar projects.

**References**

1. Provide a list of at least three (3) government or private organizations for which your company has provided similar services.

2. Provide the name of the organization, a point of contact, postal address, telephone number, and email address for each reference.

3. Include a minimum of three (3) references for work of a similar nature completed by the consultant(s). At least two (2) of the references must be for similar work.

**Work Plan**

Provide a detailed work plan and summary of criteria that your firm will employ to accomplish the objectives of this review. Your work plan should be prepared in a manner that demonstrates your understanding of the requirements described in this RFP as well as the relevant laws, IIA Standards.

**Note:** The Work Plan may all or in part become the *Statement of Work* appended to the contract.

**Milestones**

1. Provide a proposed project schedule and time frames for each milestone of the schedule.

2. A schedule to provide frequent project status reports to the Project Coordinator and relevant staff.
**Pricing**

Provide a table that lists all standard and foreseeable fees relevant to your proposal. Pricing in the table must include billing rates, estimated number of billable hours, as well as other billable expenses.

In addition, you must include the following:

1. **Total “not-to-exceed” cost for the project (including out-of-pocket expenses**

2. **Billing practice and payment terms**

**Note:** The Pricing Table may all or in part become the *Fee Schedule* appended to the contract.
Appendix A: Certification Regarding Third Party Fees

Respondent hereby certifies that neither the Respondent nor any affiliate, nor any of their respective partners, directors, officers, members, or employees (collectively, “Respondent Parties”) have employed or retained any company, person or other entity to solicit or secure respondent’s participation in LACERA’s Request for Proposals dated ______________ (the “RFP”).

Respondent further certifies that none of the Respondent Parties have paid or agreed to pay, and shall not pay, any company, person or other entity, any fee, commission, percentage, brokerage fee, gift, political contribution, charitable contribution or any other compensation (collectively, "Compensation") contingent upon or resulting from Respondent’s (i) participation in the RFP or (ii) being awarded a contract (“Contract”) to manage assets for LACERA in response to Respondent’s participation in the RFP, except where:

1. Respondent has disclosed in writing to LACERA that a Respondent Party (identified by name) has engaged such a company, person or other entity to secure Respondent's participation in the RFP or award of a Contract; and

2. Respondent has disclosed in writing to LACERA the amount of the Compensation (paid and payable) and the payment schedule (by date(s) and amount(s)).

Respondent Name: _________________________________  
(Please Print)

Signature: _________________________________

Title: _________________________________

Company Name: _________________________________

Date: _________________________________
Appendix B: Sample Agreement (Subject to Revision at LACERA's Discretion)

AGREEMENT FOR CONSULTING SERVICES BETWEEN
LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

AND

[DATE]

Prepared by: LACERA Legal Office
# AGREEMENT FOR CONSULTING SERVICES

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Exhibit A - Statement of Work

Exhibit B - Timeline for Deliverables

Exhibit C - Certification Regarding Financial Contacts and Solicitations
CONSULTING SERVICES AGREEMENT

This Consulting Services Agreement ("Agreement") is made and effective as of [DATE], by and among [VENDOR NAME], a [VENDOR ORGANIZATION STRUCTURE] organized and existing under the laws of the State of [STATE] with a principal place of business at [VENDOR ADDRESS] ("VENDOR SHORT TITLE"), the ("Consultant"), and the Los Angeles County Employees Retirement Association ("LACERA").

RECITALS

A. LACERA is a duly established and existing public retirement system created under the County Employees Retirement Law of 1937, California Government Code Sections 31450 et seq.; and

B. LACERA issued a request for proposal dated [DATE] ("RFP") for the purpose of retaining a qualified consulting firm to [SHORT DESCRIPTION OF WORK]; and

C. Consultant submitted a proposal in response to the RFP, and desires to perform the study, and has represented to LACERA that it is qualified to perform the study; and

D. Consultant hereby reaffirms the reliability and accuracy of the written proposal and oral representations made to LACERA in the RFP process.

E. LACERA has determined, in reliance upon Consultant’s written proposal submitted in response to the RFP and Consultant’s oral representations made to LACERA in the RFP process (collectively, the "Consultant’s Proposal"), and LACERA’s due diligence, that Consultant is qualified to perform the study and desires to retain the Consultant for that purpose.

NOW, THEREFORE, in consideration of the above stated recitals, the mutual promises, covenants, representations and conditions contained herein, and the mutual benefits to be derived therefrom, LACERA and Consultant agree as follows:
AGREEMENT

1. Definitions.

For purposes of this Agreement, capitalized terms have the meanings set forth in this Section 1.

"Agents" means any employees, agents, or representatives of Consultant acting in connection with this Agreement.

"Agreement" means this Consulting Services Agreement entered into by and between LACERA and Consultant, including the Exhibits attached hereto.

"Agreement Date" means the date shown in the preamble of this Agreement.

"Consultant" means [CONSULTANT NAME, STRUCTURE, AND STATE].

"Consulting Services" means the consulting services described in the Statement of Work attached as Exhibit A to this Agreement ("Statement of Work"), as the Statement of Work may be amended from time to time in the manner prescribed in this Agreement.

"Effective Termination Date" means the date on which all or a specified portion of the work under this Agreement will formally cease, as specified in any Notice of Termination delivered by the party terminating the Agreement to the other party.

"Force Majeure" means any cause, circumstance, or event beyond the control and without the fault or negligence of a party (the "affected party") that causes the affected party to fail to perform its obligations hereunder. Such causes, circumstances or events may include, but are not restricted to, acts of God or of the public enemy, acts of any foreign, international, federal or state government (including all subdivisions thereof) in such government's sovereign capacity, fires, floods and earthquakes; but in every case the failure to perform must be beyond the control and without the fault or negligence of the affected party.

"LACERA" means the Los Angeles County Employees Retirement Association, an independent public pension fund established under the authority of the County Employees Retirement Law of 1937 (California Government Code Sections 31450 et seq.).

"LACERA Covered Persons" means LACERA, its trustees, officers, and employees, agents, contractors and fiduciaries, excluding Consultant and its Agents.
"LACERA's Project Manager" means [PROJECT MANAGER NAME], LACERA's Principal Internal Auditor, or their designee.

"Notice of Termination for Convenience" means a notice delivered by LACERA to Consultant when desiring to terminate this Agreement (or a portion of the work to be performed by Consultant) for its convenience.

"Notice of Termination for Default" means a notice delivered by one party (the "notifying party") to the other (the "notified party") when desiring to terminate this Agreement (or, if LACERA is the notifying party, a portion of the work to be performed by Consultant) due to a default by the notified party.

"Working Papers" is defined in Section 11.A.(2).

2. Applicable Documents.

Consultant's Proposal, and the Exhibits, Schedules and Appendices attached hereto, are incorporated in and made a part of this Agreement by reference. If any conflicts, inconsistencies or ambiguities should arise between or among this Agreement and the incorporated documents, the following precedence shall be used to interpret the requirements of this Agreement:

— first, the terms of this Agreement;
— second, the terms of the Exhibits, Schedules and Appendices according to the order in which they appear; and
— third, Consultant’s Proposal.

3. Description of Services.

A. **Work to be Performed.** Consultant agrees to perform the work and provide the services, including the Consulting Services, set forth in this Agreement, in the manner and form described in this Agreement. Consultant agrees that should work be performed outside the scope of the work described in this Agreement, without the prior written consent of LACERA in accordance with Section 17.A (Changes and Amendments) to this Agreement, such work will be deemed to be a gratuitous effort on the part of Consultant, and Consultant will have no claim against LACERA for such work, and LACERA will have no obligation to pay for such work.
B. **Standard of Care.** Consultant acknowledges that it shall discharge each of its duties and exercise each of its powers under this Agreement with the competence, care, skill, prudence and diligence under the circumstances then prevailing that a professional acting in a like capacity and familiar with these matters would use in the conduct of a like enterprise with like aims.

C. **Consultant’s Key Deliverables.**

(1) **Progress Reports.** Consultant will deliver written progress reports to LACERA’s Project Manager every month until the final report is delivered. The progress reports will describe specific accomplishments achieved since the last progress report and the draft and final reports described below.

(2) **First Draft Report.** Consultant will deliver, in accordance with the Timeline, two (2) copies of a draft report (and one electronic version in Word format) which will include Consultant’s findings, conclusions, and recommendations in connection with the Consulting Services.

(3) **Final Report.** Consultant will deliver sixty-five (65) copies of its final report (and one electronic version in Word format) on the Consulting Services within the Timeline provided LACERA submits its written response to Consultant's draft report in accordance with the Timeline. In any case, Consultant will deliver its final report no later than seven (7) calendar days after LACERA submits its written response to Consultant’s draft report. The final report will incorporate LACERA’s comments on the draft report to the extent acceptable to Consultant. In the event Consultant determines not to incorporate such comments, it will provide LACERA with a written explanation of the reason(s). The final report will be presented to LACERA’s Board of Investments, which may require that Consultant revise its report. The Board of Investments must accept Consultant’s final report before final payment is due under Section 6(C).

D. **Conferences, and Committee/Board Meetings.**

(1) **Entrance Conference.** Prior to commencing the Consulting Services, Consultant shall attend a telephonic entrance conference with LACERA's Project Manager and LACERA staff.

(2) **Periodic Conferences.** During the Consulting Services, Consultant shall conduct periodic conferences via conference call with LACERA’s Project Manager and appropriate LACERA staff to review and discuss the progress of the Consulting Services as described in the most recent progress report. The periodic conferences shall occur every two weeks unless deemed needed less frequently
by LACERA staff.

(3) **Attendance at Board and Committee Meetings.** Consultant will personally attend committee and Board of Investments meetings at LACERA’s office when requested by LACERA’s Project Manager.

(4) **Time and Attendance.** Conferences described in this Section 3 shall be held as specified in this Section 3 either via conference call or at LACERA's offices during normal business hours, as determined by LACERA, on dates reasonably determined by LACERA's Project Manager. Consultant's Project Manager and such of its Agents as LACERA’s Project Manager deems necessary and appropriate shall attend the conferences described in this Section 3.

**E. Corrections to Work.**

Consultant's services and deliverables will meet the requirements and standards set forth in this Agreement. Consultant will promptly correct any errors or omissions in the provision of such services and deliverables, at no cost or expense to LACERA after request by LACERA's Project Manager or Board of Investments. In the event of any excused interruption or service, or excused failure to perform as herein agreed, Consultant agrees to use its best efforts to immediately restore or reasonably provide such services to LACERA.

**4. Project Responsibility.**

**A. Consultant's Project Manager.** Consultant’s Project Manager is [NAME], [TITLE]. Consultant's Alternate Project Manager is [NAME], [TITLE], who is a full-time employee of Consultant, who may act in the Project Manager’s place during periods of temporary absence, disability or unavailability.

(1) **Consultant's Project Manager(s):**

   (a) is responsible for the Consultant's day-to-day activities related to the work to be performed by Consultant under this Agreement;

   (b) has full authority to act for Consultant on all matters relating to the daily operation of this Agreement; and

   (c) will be reasonably available during LACERA's normal working hours for telephone contact and to meet with LACERA personnel designated to discuss Consultant's performance.
B. **Additional Consultant Personnel.**

(1) Upon request by LACERA's Project Manager, Consultant will replace any of Consultant's personnel or Agents assigned to perform services under this Agreement, who are in LACERA's opinion, unable to effectively carry out the responsibilities of this Agreement.

C. **LACERA's Project Manager.** LACERA's Project Manager is [NAME], its Principal Internal Auditor. LACERA's Project Manager or designee shall, on a regular basis, interface with Consultant's Project Manager(s).

   (1) LACERA's Project Manager is responsible for:

   (a) providing overall management and coordination of this Agreement for LACERA;

   (b) insuring that the provisions and objectives of this Agreement are met; and

   (c) providing direction to Consultant in all matters relating to policy information, information requirements, and procedural requirements.

   (2) LACERA's Project Manager is not authorized to make changes in the terms and conditions of this Agreement, and is not authorized to obligate LACERA in any respect whatsoever, beyond those duties and responsibilities delegated to the LACERA Project Manager in this Agreement.

   (3) LACERA's Project Manager or any person delegated responsibility for the administration of this Agreement by LACERA's Project Manager will not have any personal liability to Consultant for any action taken or not taken by such individual while acting or purporting to act as LACERA's Project Manager or delegate of such Project Manager.
5. **Independent Contractor Status.**

In performing under this Agreement, Consultant is at all times acting in the capacity of independent contractor. This Agreement is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association as between LACERA and Consultant. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever. Consultant shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Agreement all compensation and benefits. LACERA shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, federal, state, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of Consultant. Consultant understands and agrees that all persons furnishing services pursuant to this Agreement are, for purposes of workers' compensation liability, employees solely of Consultant and not employees of LACERA.

6. **Compensation and Payment.**

   A. **Fees.** LACERA shall pay Consultant a fixed fee of [CONTRACT AMOUNT] (the "Fee") for services rendered and expenses incurred in performing the work set forth in the Statement of Work.

   B. **Expenses.** Consultant's expenses, including travel and lodging and all other expenses associated therewith, are included in the Fee, and Consultant will not be entitled to separate or additional reimbursement for expenses.

   C. **Payment.** LACERA shall pay the Fee [DESCRIBE PAYMENT STRUCTURE], each a "Progress Payment", as Consultant completes portions of the Consulting Services. The first Progress Payment will be due when [FIRST PROJECT MILESTONE] to LACERA. The second Progress Payment will be due when [SECOND PROJECT MILESTONE]. The third Progress Payment will be due upon delivery of the draft report described in Section 3.C(2). The fourth Progress Payment will be paid when the Consulting Services are completed and Consultant's final report has been delivered to and accepted by LACERA and its Board of Investments as described in Section 3.C(4).

7. **Term and Termination.**

   A. **General Term.** Subject to the termination provisions set forth herein, the term of this Agreement commences on the Agreement Date and continues until Consultant has delivered its final report and LACERA and its Board of Investments has accepted it.
B. **Termination by LACERA for Convenience.** LACERA may terminate this Agreement, or any portion of the services to be performed by Consultant, without cause at any time by delivering to Consultant a written Notice of Termination for Convenience specifying the extent to which Consultant's services are terminated and the Effective Termination Date. The Effective Termination Date may be no earlier than one calendar day after such Notice of Termination for Convenience is sent to Consultant. LACERA's termination of this Agreement under this Section 7.B is not a waiver of LACERA's right to make a claim against Consultant for damages resulting from any default by Consultant, which occurred prior to the Effective Termination Date.

C. **Termination by LACERA for Default.** LACERA may immediately terminate this Agreement, or any portion of the services to be performed by Consultant, by delivering to Consultant a written Notice of Termination for Default that specifies the Effective Termination Date, under any one of the following circumstances:

1. Upon notice and a ten (10) day cure period, if Consultant fails to perform the work specified in this Agreement within the time specified herein or any extension thereof;

2. If Consultant fails to perform any other provision of this Agreement, or so fails to make progress as to endanger performance of this Agreement in accordance with its terms, and in either of these two circumstances fails to cure such default within ten (10) calendar days (or such longer period as LACERA may authorize in writing) after receipt of written notice from LACERA specifying such default;

3. Upon notice but without further cure period, if Consultant repeatedly fails to perform according to this Agreement following a second failure to perform pursuant to Section 7.C(1) or (2) hereof;

4. Without notice or cure period if Consultant materially breaches any of the warranties, representations, agreements, and covenants made in Section 9 (Consultant's Representations, Warranties and Covenants), if Consultant fails to maintain the insurance required under Section 8.B, or if Consultant fails to comply with the terms of Section 10.A (Compliance with Legal Requirements);

5. Without notice or cure period if Consultant is subject to criminal indictment or conviction, or is found civilly or criminally liable by a trial court, jury or administrative body, or enters a plea of guilty or nolo contendere, in connection with any matter involving a felony, breach of trust, breach of fiduciary duty, fraud, or theft; or
(6) Without notice or cure period if Consultant attempts or purports to assign this Agreement, or any portion hereof, or any of its rights or obligations hereunder, without obtaining LACERA's prior written consent.

D. **Termination by LACERA for Insolvency.** LACERA may immediately terminate this Agreement, or any portion of the services to be performed by Consultant, by delivering to Consultant a written Notice of Termination for Default that specifies the Effective Termination Date, under anyone of the following circumstances:

(1) Consultant becomes insolvent. Consultant will be deemed insolvent if it has ceased to pay its debts in the ordinary course of business or cannot pay its debts as they become due, whether it has committed an act of bankruptcy or not, and whether or not it is insolvent within the meaning of the United States Bankruptcy Code (11 U.S. Code § 101 et seq.);

(2) Consultant files a voluntary petition under any bankruptcy, reorganization or insolvency law;

(3) Consultant applies for or consents to appointment of a trustee or receiver to take possession of all or substantially all its assets;

(4) Consultant consents to, or files an answer admitting the jurisdiction of the court and the material allegations of, an involuntary petition filed under any bankruptcy, reorganization or insolvency law; or

(5) An involuntary proceeding of bankruptcy, reorganization or insolvency is commenced against Consultant and not dismissed within thirty (30) days after commencement.

E. **Termination by Consultant for Default.** Consultant may terminate this Agreement in its entirety, but not in part, upon written Notice of Termination for Default if LACERA materially fails to perform any of its obligations under this Agreement and fails to cure such default within thirty (30) calendar days of receiving Consultant's written notice of such default, which notice describes in reasonable detail the nature of the default and Consultant's view as to the cure required in order to bring LACERA's performance into material compliance with its obligations under this Agreement. Consultant's sole remedy in the event of a default by LACERA for nonpayment is to recover the amount of the default payment owed, and payment for all work properly performed through the Effective Termination Date.
F. **Force Majeure.** Neither party may terminate for default, pursuant to Section 7.C, Section 7.D, or Section 7.E above, as applicable, if the other party's failure to perform under this Agreement arises solely from causes of Force Majeure.

G. **Rights, Remedies and Responsibilities upon Termination.** If this Agreement is terminated, all of the terms and conditions of this Agreement shall continue to apply through the Effective Termination Date. The following provisions also apply to any termination of this Agreement.

(1) **Post-Termination Responsibilities.** If LACERA terminates this Agreement, and unless otherwise expressly directed by LACERA, Consultant will: (i) take all necessary steps to stop providing services under this Agreement on the Effective Termination Date, or sooner, to the extent stated in the Notice of Termination, and (ii) continue to perform those services, if any, which are not terminated.

(2) **Recovery of Reasonable Damages Upon Default.** If LACERA terminates this Agreement in whole or in part for default pursuant to Section 7.C or Section 7.D above, LACERA is entitled to recover from Consultant all reasonable damages resulting from such default. By way of example and not limitation, LACERA may procure, upon such terms and in such manner as LACERA may deem appropriate, services similar to those terminated, and Consultant will be liable to LACERA for any excess cost of such similar services.

(3) **Payment when Terminated for Convenience.** If LACERA terminates this Agreement for convenience pursuant to Section 7.B above, LACERA will pay Consultant for work already performed but for which Consultant has not been compensated through the Effective Termination Date, according to the terms of Section 6, after Consultant has returned all items described in Section 12.A to LACERA.

(4) **Payment Withheld for Default.** LACERA shall not authorize and shall withhold payment for services provided if LACERA terminates this Agreement for default pursuant to Section 7.C or Section 7.D above.

(5) **Excusable Default.** If, after LACERA issues a Notice of Termination for Default pursuant to Section 7.C or Section 7.D above, it is determined for any reason that Consultant was not in default, or that such default was excusable, then the rights and obligations of the parties will be the same as if LACERA had issued a Notice of Termination for Convenience pursuant to Section 7.B.
(6) **Good Faith Transfer.** Upon any termination of this Agreement by LACERA, and to the extent directed by LACERA, Consultant will cooperate with LACERA in good faith to effect a smooth and orderly transfer of such services and all applicable records to a successor designated by LACERA. Consultant will respond promptly to reasonable inquiries of such successor investment consultant with respect to the Working Papers and matters of continuing accounting significance to LACERA. Upon termination of this Agreement, Consultant will retain all Working Papers according to the record retention provisions set forth in Section 11 below, or at LACERA's option, promptly deliver them to LACERA.

(7) **Cumulative Nature of Rights and Remedies.** The rights and remedies provided by this Section 7 are not exclusive, but cumulative and in addition to any other rights and remedies provided by law, in equity or under any other provisions of this Agreement. The running of any grace period for cure of a default pursuant to Section 7.C or Section 7.D above does not limit LACERA's right to terminate this Agreement for convenience at any time, pursuant to Section 7.B above.

8. **Indemnification and Insurance.**

   A. **Indemnification of LACERA.**

      (1) **Definitions.** As used in this Section:

         (a) “Claims” means any and all liabilities, losses, injuries, suits, costs, charges, judgments, fines, penalties, expenses (including, without limitation, defense costs, expert witness fees and attorneys’ fees), claims, demands, recoveries, settlements, or damages of any nature whatsoever, including, but not limited to, loss of funds, bodily injury, death, personal injury, or property damage.

         (b) “LACERA Covered Persons” means LACERA, its officers, trustees, fiduciaries (excluding Consultant and its Agents), employees, contractors and agents.

         (c) “Consultant Personnel” means Consultant, its officers, trustees, shareholders, employees and agents.

         (d) “Consultant Action” means any consulting services rendered or any other material action taken or omitted by any Consultant Personnel, including, without limitation, any alleged or claimed:
i. bad faith, negligence, willful misconduct, fraud, improper or unethical practice by any Consultant Personnel;

ii. breach of any representation or warranty made by any Consultant Personnel in this Agreement or in any agreement contemplated by this Agreement;

iii. breach of any covenant, agreement or obligation of any Consultant Personnel contained in this Agreement or any other instrument contemplated by this Agreement;

iv. any other breach of this Agreement; or

v. misrepresentation contained in any statement or certificate furnished by any Consultant Personnel pursuant to this Agreement.

(2) Consultant will defend, at its expense, indemnify, save, and hold harmless the LACERA Covered Persons from and against any and all Claims arising out of, related to, or in connection with any Consultant Action. The passive negligence of any LACERA Covered Person will not relieve Consultant of its obligations to defend and indemnify. Consultant’s obligations to defend and indemnify shall survive the termination of this Agreement.

(3) LACERA will give Consultant prompt written notice of any Claim for which any LACERA Covered Person is entitled to indemnification pursuant to this Section. Consultant shall control the defense or settlement of the Claim; but, no such settlement or compromise shall be entered into unless, as part of such settlement or compromise, the third party executes a full and complete release of the LACERA Covered Persons without recourse to the LACERA Covered Persons for any amount, claim or other obligation whatsoever respecting such Claim. Consultant will not have the right to settle or compromise any such Claim without the consent of the LACERA Covered Persons, which consent can be withheld for any reason or no reason, if such settlement or compromise involves the issuance of injunctive or other non-monetary relief binding upon any of the LACERA Covered Persons or a plea of guilty or nolo contendere on the part of any of the LACERA Covered Persons in any criminal or quasi-criminal proceeding, or involves any admission of liability or culpability on the part of the LACERA Covered Persons, or has any collateral estoppel effect on any of the LACERA Covered Persons.
(4) Consultant’s obligation to defend the LACERA Covered Persons at Consultant’s expense is in addition to, and separate from, Consultant’s obligation to indemnify under this Section. In the event that Consultant fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to LACERA, Consultant shall pay full compensation for all costs incurred by LACERA.

B. **Insurance.**

(1) **General Insurance Requirements.** Without limiting Consultant's indemnification obligations under Section 8.A above, for during the term of this Agreement, Consultant shall provide and maintain, and shall require any of its subcontractors and Agents assisting Consultant in the performance of its duties under this Agreement to maintain, the following programs of insurance in this Agreement. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by LACERA, and such coverage shall be provided and maintained at Consultant’s own expense.

(a) **Evidence of Insurance.** Certificate(s) or other evidence of coverage satisfactory to LACERA shall be delivered to:

**Attn: Darla Vidger**  
Internal Audit  
LACERA  
300 Lake Avenue, Suite 840  
Pasadena, CA 91101-4199

prior to commencing services under this Agreement and annually thereafter. Such certificates or other evidence shall:

i. Specifically identify this Agreement.

ii. Clearly evidence all coverages required in this Agreement.

iii. Include the cancellation notice provision from the policy.

iv. Include copies of the additional insured endorsement to the commercial general liability policy, adding the LACERA, its trustees, officers and employees as insureds for all activities arising from this Agreement.

(b) **Insurer Financial Ratings.** Insurance is to be provided by an insurance company acceptable to LACERA with an A.M. Best rating of not less than A-, X, unless otherwise approved by LACERA.
(c) **Failure to Maintain Coverage.** Failure by Consultant to maintain the required insurance, or to provide evidence of insurance coverage acceptable to LACERA, shall constitute a material breach of the contract upon which LACERA may immediately terminate or suspend this Agreement. LACERA, at its sole option, may obtain damages from Consultant resulting from said breach.

(d) **Compensation for LACERA Costs.** In the event that Consultant fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to LACERA, Consultant shall pay full compensation for all costs incurred by LACERA.

(e) **Survival of Obligations.** Consultant’s obligations under this Section 8.B. shall survive expiration or termination of this Agreement.

(2) **Commercial General Liability.** Consultant shall provide and maintain a Commercial General Liability insurance policy, which names LACERA as an additional insured. Such policy shall cover legal liability for bodily injury and property damage arising out of Consultant's business operations and services that Consultant provides pursuant to this Agreement. Such policy or a separate policy shall include, without limitation, endorsements for Officers and Directors Liability, Property Damage, Premises-Operations, Products/Completed Operations, Contractual, and Personal/Advertising Injury with a limit of at least One Million Dollars ($1,000,000) per occurrence and an annual aggregate of at least Two Million Dollars ($2,000,000). If such insurance is written on a Claims Made Form, such insurance shall be endorsed providing an extended reporting period of not less than five (5) years following termination or expiration of this Agreement.

(3) **Auto Liability.** Consultant shall provide and maintain a comprehensive auto liability insurance policy endorsed for all "non-owned" and "hired" vehicles, or coverage for any "auto", with a combined single limit of not less than One Million Dollars ($1,000,000) per accident.

(4) **Workers' Compensation.** Consultant shall bear sole responsibility and liability for furnishing Workers' Compensation benefits to Consultant's employees for injuries arising from or connected with any services provided to LACERA under this Agreement. Consultant shall provide and maintain a program of Workers' Compensation, in an amount and form to meet all applicable statutory requirements. In all cases, workers compensation insurance also shall include
Employer’s Liability Insurance with limits of not less than One Million Dollars ($1,000,000) per accident covering all of Consultant's employees.

(5) **Errors and Omissions.** Consultant shall provide and maintain insurance covering liability arising from any error, omission, negligent or wrongful act of the Consultant, its officers, employees or Agents, with limits of at least Five Million Dollars ($5,000,000) per claim and an annual aggregate of at least Five Million Dollars ($5,000,000). The coverage also shall provide an extended one-year reporting period commencing upon termination or cancellation of this Agreement.

9. **Consultant's Representations, Warranties and Covenants.**

Consultant makes the following representations, warranties, covenants and agreements set forth in this Section 9 with the understanding that LACERA has relied upon them in determining to enter into this Agreement, and that they constitute a material inducement to LACERA to enter into this Agreement. The representations, warranties, covenants and agreements contained in this Section 9 shall survive the expiration or termination of this Agreement.

A. **Authorization.**

(1) Consultant is duly organized, validly existing, and in good standing under the laws of the state of its organization and is qualified to do business in California, and has full corporate power and authority to carry on its business as it has been and is conducted. Notwithstanding the foregoing, LACERA acknowledges that, in connection with an internal restructuring of Consultant, (a) PCA LLC is currently in the process of becoming qualified to do business in California and (b) it is anticipated that PCA Inc. will cease being qualified to do business in California prior to the expected expiration of this Agreement. At all times during the term of this Agreement, however, at least one of PCA Inc. and PCA LLC will be qualified to do business in California.

(2) The execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement are within the power of the Consultant and have been duly authorized by all necessary corporate and other action. Consultant has duly authorized, executed and delivered this Agreement, and this Agreement constitutes the legal, valid and binding agreements and obligations of Consultant, enforceable against Consultant in accordance with its terms, except insofar as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar limitations on creditors' rights generally and general principles of equity.
(3) Consultant is not subject to or obligated under any law, rule or regulation of any governmental authority, or any order, injunction or decree, or any agreement, that would be breached or violated by Consultant's execution, delivery or performance of this Agreement.

(4) Subject to the last two sentences of Section 9(A)(1) above, Consultant has completed, obtained, and performed all registrations, filings, approvals, licenses, authorizations, consents, or examinations required by any government or governmental authority for entry into this Agreement and performance of its acts contemplated by this Agreement, and Consultant shall maintain such proper authorizations while this Agreement is in force.

B. Quality of Services. All services which Consultant provides hereunder shall meet the requirements and standards set forth in the body of this Agreement and any Exhibits, Schedules and Appendices attached hereto. Consultant has the skill, experience, and resources necessary to fully and properly perform the Statement of Work according to the terms of this Agreement and the standard of care in the industry. At LACERA's request, Consultant shall promptly correct any errors or omissions in the provision of such services.

C. Contingent Fees. Neither Consultant nor any of its affiliates has paid or agreed to pay any fee or commission, including broker's fees, finder's fees, third party marketing fees, consulting fees, placement fees, or similar fees, to any entity or person in connection with the negotiation or execution of the Agreement by LACERA, except for bona fide employees of Consultant. If Consultant in any way breaches or violates of this warranty, LACERA shall have the right to immediately terminate this Agreement for default and, in LACERA's sole discretion, to deduct from Consultant's compensation under this Agreement, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

D. Gratuities. Neither Consultant nor its Agents have offered or given any gratuities in the form of gifts, entertainment or otherwise, to any officer, Board member, fiduciary, or employee of LACERA or the County of Los Angeles (“County”) with a view toward securing this Agreement or securing any favorable determination made concerning the award of this Agreement. Consultant covenants that no such gratuities will be offered or given to any such person with a view toward securing any favorable treatment concerning the performance and/or continuation of this Agreement.
If it is found that Consultant has offered or given such gratuities, LACERA may terminate this Agreement upon one (1) calendar day's written notice; provided, however, that the facts upon which LACERA bases such findings shall be at issue and may be reviewed in any competent court sitting in the County of Los Angeles, California. In the event of such termination, LACERA shall be entitled to pursue the same remedies against Consultant as it could pursue in the event of default by Consultant.

E. Recruiting. During the term of this Agreement and for one (1) calendar year thereafter, Consultant will not induce or persuade any employee of LACERA to join Consultant.

F. Conflict of Interest with Persons Related to LACERA. Consultant does not and shall not knowingly employ in any capacity: (1) any LACERA or County employee or fiduciary who either could influence the award of this Agreement or any competing agreement, or who does or will have any direct or indirect financial interest in this Agreement ("Interested Person") and (2) any spouse or economic dependent of any Interested Person.

G. Certification Regarding Financial Contacts and Solicitations. Consultant represents that during the twelve months preceding the effective date of this Agreement, no member of the LACERA Boards or key staff of the Boards or any elected or appointed official of Los Angeles County, or any person claiming to represent or have influence with either Board or with any member of the Boards contacted Consultant with respect to a financial transaction or solicitation which was not solely on behalf of LACERA’s business with Consultant. In addition, Consultant shall immediately advise LACERA if any member of the LACERA Boards or key staff of the Boards (as such Board members and key staff are identified in writing by the Chief Investment Officer from time to time), or any elected or appointed official of Los Angeles County, or any person claiming to represent or have influence with either Board or with any member of the Boards contacts Consultant with respect to a financial transaction or solicitation which is not solely on behalf of LACERA’s business with Consultant, and shall deliver to LACERA at the completion of the Consulting Services, or more frequently if requested, the certification and information required by Exhibit "C" attached hereto.
H. **Intellectual Property.** No program, process, composition, writing, equipment, appliance or device, or any trademark, service mark, logo, idea, or any other work or invention of any nature or any other tangible or intangible assets whatsoever developed, provided or used by Consultant in connection with its performance under this Agreement, infringes or will infringe on any patent, copyright, trademark or service mark of any other person or entity, or is or will be a trade secret of any other person or entity. If any claim of infringement of any intellectual property right is made against LACERA, Consultant will indemnify, defend and hold harmless all LACERA Covered Persons as provided in Section 8 above; however, Consultant will not be liable for any such claim which is based upon: (1) LACERA’s use of a version of the work at issue that is not the then current release of such work, if such claim would have been avoided by using the then current release, or (2) LACERA’s use of Consultant’s work in combination with any program or data that is not Consultant’s, if such claim would have been avoided by using Consultant’s work exclusively. In addition, following notice of any such Claim, Consultant may, at its expense, either procure for LACERA the right to continue to use the allegedly infringing work, or replace or modify such work, so long as such replacement or modification is at least the functional equivalent of the allegedly infringing work.

I. **Consultant’s Agents.** The Agents of Consultant who will be responsible for discharging Consultant’s duties and obligations under this Agreement are and will be individuals experienced in the performance of the various functions contemplated by this Agreement. None of such individuals have been convicted of any crime or found liable in a civil or administrative proceeding or pleaded no contest, or agreed to any consent decree with respect to any matter involving breach of trust, breach of fiduciary duty, fraud, securities law violations, bankruptcy law violations or any act or omission involving moral turpitude.

J. **Employment Eligibility Verification.** Consultant fully complies with all Federal statutes and regulations regarding employment of aliens and others and all its employees performing work under this Agreement meet the citizenship or alien status requirements set forth in Federal statutes and regulations. Consultant will obtain from all employees performing work hereunder, all verification and other documentation of employment eligibility status as required by Federal statutes and regulations as they currently exist and as they may be hereafter amended. Consultant will retain all such documents for the period prescribed by law. Consultant will indemnify, defend and hold harmless all LACERA Covered Persons from and against any alleged employer sanctions and other liability which may be assessed against Consultant or LACERA in connection with any alleged violation of any Federal statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Agreement.
K. **Notice of Changes.** Consultant shall notify LACERA in writing within fifteen (15) days of any of the following changes:

(1) Consultant becomes aware that any of its representations, warranties and covenants set forth herein cease to be materially true at any time during the term of this Agreement;

(2) There is any change in Consultant's personnel described in Section 4 assigned to perform services under this Agreement, or in Consultant's key personnel within its organization;

(3) There is any material change in ownership or control of Consultant of more than thirty-five percent of the issued and outstanding shares, partnership interests, or membership interests of Consultant, or in the power to direct the principal business management and activities of Consultant, whether through ownership or voting securities, by agreement, or otherwise, it being understood and acknowledged by LACERA that Consultant is in the process of an internal restructuring that is expected to be completed on June 30, 2015, the details of which have previously been disclosed to LACERA; and

(4) Consultant becomes aware of any other material change in its business organization, including without limitation the filing for bankruptcy relief.

10. **Governmental Provisions.**

A. **Compliance with Legal Requirements.** In performing under this Agreement, Consultant shall comply with all applicable foreign, international, federal, state, county and local laws, regulations, rules, ordinances, registrations, filings, approvals, authorizations, consents and examinations ("Legal Requirements"), and all provisions required by such Legal Requirements to be included in this Agreement are hereby incorporated by reference.

B. **Assurance of Compliance with Civil Rights Laws.** Consultant hereby assures LACERA that Consultant shall comply with Subchapter VII of the Civil Rights Act of 1964, (42 U.S. Code Sections 2000(e) through 2000(e) (17)), to the end that no person shall, on grounds of race, creed, color, sex, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Agreement or under any project, program, or activity undertaken pursuant to this Agreement.
C. **Nondiscrimination in Employment.** Consultant shall take all necessary action to ensure that job applicants are employed, and that its employees are treated during employment, without regard to their race, color, religion, sex, age, marital status, sexual orientation, disability, medical condition, ancestry or national origin. For purposes of this Section 22, the term "employment" shall include, but not be limited to the following: employment, upgrading, promotion, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

11. Records and Audits.

A. **Record Keeping.**

(1) Consultant shall keep and maintain all records related to its performance under this Agreement, including consulting services, time sheets, cost, billing, account and financial records, internal and external correspondence, proprietary data, telephonic recordings, and any other records created by Consultant or its Agents in connection with this Agreement and Consultant’s performance of its duties and obligations hereunder. In performing this Agreement, Consultant shall fully document all work efforts including the development of any materials prepared in connection with each task. Such documentation shall include, but not be limited to, the source of data, and schedules, narratives, and other work product supporting the conclusions reached and resultant recommendations. Consultant shall also maintain accurate and complete employment and other records relating to its performance of this Agreement.

(2) All such material described in (1) above in whatever format, electronic or otherwise (collectively, the "Working Papers"), shall be kept and maintained by Consultant and shall be made available to LACERA during the term of this Agreement and any extension thereof and for a period of seven (7) fiscal years thereafter unless Consultant is notified in writing by LACERA of the need to extend the retention period or unless written permission is given by LACERA to dispose of any such material prior to such time. All such material shall be maintained by Consultant at the Consultant's main office located at [CONSULTANT'S ADDRESS], and, at Consultant's expense, will be made available to LACERA and its agents upon request and delivered to LACERA's offices located at 300 North Lake Avenue, Suite 720, Pasadena, CA 91101, or to the offices of any third party designated by LACERA. After the minimum retention period has expired, Consultant will give LACERA at least sixty (60) days notice of its intent to dispose of the Working Papers and LACERA will have the right to take possession of such records prior to disposal. Consultant will cooperate with LACERA with
respect to the change of possession of the Working Papers.

B. **Record Review and Audit.** Consultant agrees that LACERA, or any duly authorized representative of LACERA, including any successor investment consultant designated by LACERA, will have access to and the right to examine, audit, excerpt, copy or transcribe any Working Papers at any time during the term of this Agreement, or at any time for up to seven (7) years after the termination of this Agreement. LACERA agrees that any such review and audit will be conducted in a manner to minimize interference with Consultant’s normal business activities. Upon reasonable advance notice to Consultant (which in no event be less than five business days nor more than ten business days), Consultant will make the Working Papers available for review and audit during normal business hours. Consultant will make the persons responsible for creating and maintaining the Working Papers available to LACERA during such review and audit for the purpose of responding to LACERA’s reasonable inquiries. LACERA will pay its own costs associated with such review, other than any costs incurred by Consultant to make personnel available as required by the preceding sentence; however, if the review reveals that Consultant has materially violated any of the provisions of this Agreement, Consultant will pay all costs associated with such review.

C. **Acknowledgment of Ownership.** Consultant acknowledges that the Working Papers are the property of LACERA for all purposes.

D. **Survival.** The provisions of this Section 11 shall survive the termination of this Agreement.

12. **Confidentiality; Proprietary Rights.**

A. **LACERA's Confidential and Proprietary Materials.**

(1) **LACERA's Proprietary Rights.** All materials, documents, data, reports, and other information developed under this Agreement, including but not limited to the peer group list, the survey, the survey results, analysis of the results, draft reports, final reports, presentations, and all other materials of any kind related to any of these items, become the sole property of LACERA, and upon the expiration or earlier termination of this Agreement, Consultant will promptly deliver to LACERA all finished or unfinished materials, documents, data, reports and other information prepared by Consultant under this Agreement; however, unless LACERA requests possession of the originals, Consultant may retain possession of all Working Papers prepared by Consultant (or copies if LACERA requests possession of the originals), and to the extent LACERA does not have the originals, LACERA shall have the right during and subsequent to the term of this Agreement to request the originals or inspect any and all such Working
Papers, make copies thereof, and use the Working Papers and the information contained therein. Both parties hereto acknowledge that Consultant retains the right to use its experience, expertise and knowledge on similar projects for other clients, so long as Consultant protects LACERA’s interests in all of its confidential records and property.

(2) **LACERA’s Information.** Consultant will protect the security of and keep confidential all materials, data, and other information received by Consultant from LACERA.

(3) **Protection of Confidential and Proprietary Rights.**

(a) Consultant shall protect the security of and keep confidential all material, data and information received or produced under this Agreement. Further, Consultant shall use whatever security measures are necessary to protect all such material, data and information from loss or damage by any cause, including, but not limited to, fire and theft.

(b) Notwithstanding the foregoing, Consultant may respond fully to subpoenas from competent courts or information requests from state of Federal agencies with jurisdiction over Consultant, provided Consultant shall promptly notify LACERA of each such subpoena and request for information, and provided further that LACERA shall have the right to oppose the disclosure of such information in a court of competent jurisdiction.

(c) **Duty to Inform Agents.** Consultant will inform all of its Agents of the confidentiality provisions of this Agreement and be responsible for its Agents failure to abide by them. Consultant shall indemnify, defend and hold harmless LACERA from and against any Claims arising from or relating to the unauthorized disclosure of any Working Papers by Consultant or its Agents.

B. **Consultant’s Proprietary Materials.**

(1) The Consultant shall retain all rights, title and interest (including, without limitation, all copyrights, patents, service marks, trademarks, trade secret and other intellectual property rights) in and to all technical or internal designs, methods, ideas, concepts, know-how, techniques, generic documents and templates ("Tools") that have been previously developed by Consultant or such Tools developed during the course of the provision of the Consulting Services provided such Tools do not contain and/or are not based upon or derived from any Working Papers or LACERA confidential information or proprietary data. Rights and ownership by the Consultant of its Tools shall not extend to or include
all or any part of the Working Papers, LACERA's proprietary data or LACERA confidential information.

(2) Absent Consultant's written consent authorizing disclosure, LACERA will use reasonable means to protect and maintain the confidentiality of any of Consultant's materials which Consultant in good faith considers under the Act (defined below) to be proprietary ("Proprietary Material"), so long as:

(a) Consultant clearly and prominently marks all such material "confidential" or "proprietary";

(b) If required by LACERA, Consultant justifies in writing why such material should not, upon request, be disclosed by LACERA; and

(c) LACERA reasonably believes public disclosure of such material is not required by law, including the California Public Records Act (Cal. Gov't. Code Section 6250 et seq., the "Act"), or by the order of any tribunal having jurisdiction.

(3) If an action is commenced against LACERA under the Act or otherwise that challenges LACERA's refusal to disclose Consultant's Proprietary Material, Consultant will defend LACERA in the action, unless the refusal to disclose has been made unilaterally by LACERA, at Consultant's expense, and will pay any judgment (whether for damages, attorneys' fees, or both) that may be entered as a result of LACERA's refusal to disclose Consultant's Proprietary Material. Nothing in this Section 12 is intended to, or does, limit or qualify LACERA's right to make decisions as to what material may be subject to disclosure under the Act and to produce such material, without liability or obligation to Consultant, as LACERAR deems, in its independent judgment, it is required to produce.

(4) LACERA's obligations under subsection (2) do not apply to:

(a) any confidential information that LACERA can demonstrate has become public information through no breach of this Agreement by LACERA; and

(b) the Working Papers.

13. Consultant's Reports.
Subject to Consultant's confidentiality obligations, Consultant will make available to LACERA summaries of reports it has prepared and surveys it has conducted for its other clients related to the subject matter of the Statement of Work at no cost to LACERA.
14. Publicity.
   In recognizing Consultant’s desire to identify its services and related clients, Consultant may publicize its role under this Agreement within the following conditions:

   A. Consultant will develop and present all such publicity material in a professional and not misleading manner.

   B. During the course of performance of this Agreement, Consultant, its employees, agents, and subcontractors will not publish or disseminate commercial advertisements, press releases, opinions or feature articles, using the name of LACERA without the prior written consent of LACERA.

   C. Consultant may, without the prior written permission of LACERA, indicate in its proposals and sales materials that it has (1) been awarded an agreement to provide the services described in this Agreement and (2) completed the services described in this Agreement provided that such services have actually been completed.

   The parties agree that the provisions and obligations with respect to Section 7 (Term and Termination), Section 8 (Indemnification and Insurance), Section 9 (Consultant’s Representations, Warranties and Covenants), Section 11 (Records and Audits), Section 12 (Confidentiality; Proprietary Rights) and other provisions which by their nature are intended to survive expiration or termination of this Agreement will survive any expiration or termination of this Agreement.


   A. Changes and Amendments. LACERA reserves the right to change any portion of the work, services, or deliverables under this Agreement, or to amend such other terms and conditions as reasonably necessary subject to the following conditions:

      (1) Any change that does not affect the scope of work, period of performance, payments, or any term or condition included under this Agreement, requires a change notice signed by LACERA’s Project Manager and Consultant’s Project Manager.

      (2) Any change that affects the scope of work, period of performance, payment, or any term or condition included in this Agreement, requires a negotiated written modification to the Agreement executed by authorized officials of LACERA and Consultant.
B. Notices. All notices, requests, demands or other communications required or desired to be given hereunder or under any law now or hereafter in effect shall be in writing. Such notices shall be deemed to have been given one business day after delivery by facsimile with telephone confirmation of receipt, or by overnight courier, or three business days after being mailed by first class registered or certified mail, postage prepaid, and addressed as follows (or to such other address as either party from time to time may specify in writing to the other party in accordance with this notice provision):

If to LACERA:

Internal Audit
LACERA
300 N. Lake Avenue, Suite 840
Pasadena, CA 91101
Phone: 626-564.6000 ext. 3314
Fax: 626-564-6110
Email: dvidger@lacera.com

with copy to:

Steven P. Rice
Chief Counsel
LACERA
300 N. Lake Avenue, Suite 620
Pasadena, CA 91101
Phone: 626-564-6000 ext. 4340
Fax: 626-564-2336
Email: srice@lacera.com

If to Consultant:

Email:

with copy to:

Email:

C. Compliance with LACERA Communication Policy. Consultant agrees to comply with the following communication policy adopted by the Board:

All formal notices required to be given to LACERA by a service provider pursuant to the service provider’s contract with LACERA shall be addressed and delivered in accordance with the terms and conditions of the contract.
A service provider, or person or entity related to a service provider, shall provide to LACERA’s Chief Executive Officer a copy of all written communications to LACERA (other than purely personal or social correspondence, routine announcements, generally-distributed newsletters, and the like) related to LACERA’s business. If the communication relates to investment-related services provided to LACERA, a copy shall also be provided to LACERA’s Chief Investment Officer. If the communication relates to an actual or potential contract dispute, a copy shall also be provided to LACERA’s Chief Counsel.

The addresses for LACERA’s Chief Executive Officer, Chief Counsel, and Chief Audit Executive are:

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gregg Rademacher</td>
<td>Chief Executive Officer</td>
<td>300 N. Lake Ave., Suite 820</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Pasadena, CA 91101</td>
</tr>
<tr>
<td>Steven P. Rice</td>
<td>Chief Counsel</td>
<td>300 N. Lake Ave., Suite 620</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Pasadena, CA 91101</td>
</tr>
<tr>
<td>Richard Bendall</td>
<td>Chief Audit Executive</td>
<td>300 N. Lake Ave., Suite 840</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Pasadena, CA 91101</td>
</tr>
</tbody>
</table>

D. **Attorneys’ Fees, Costs and Expenses.** In any legal proceeding which arises out of or relates to this Agreement (whether in contract, tort, or any other legal theory whatsoever), then the party not prevailing shall pay to the prevailing party all reasonable costs and expenses incurred therein by the prevailing party including, without limitation, reasonable attorneys' fees, court costs, expert witness fees and costs, travel time and associated costs, copy costs, deposition costs, exhibit costs, costs on appeal, fees and costs associated with execution upon any judgment or order, special transcript costs, and the appointment of a Special Master or discovery referee. These expenses shall be in addition to any other relief to which the prevailing party may be entitled and shall be included in and as part of the judgment or decision rendered in such proceeding.
E. **Section Headings; Interpretation.** Caption and section headings used in this Agreement are for convenience and reference only and shall not affect in any way the meaning, construction or interpretation of this Agreement. Each party hereto and its counsel have participated fully and equally in the review and negotiation of this Agreement. Each party hereto agrees that neither party, nor its counsel, shall be deemed the drafter of this Agreement for purposes of construing the provisions hereof. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Agreement. The language in all parts of this Agreement shall in all cases be construed according to its fair meaning, and not strictly for or against any party hereto.

F. **Entire Agreement.** This Agreement, together with any and all Exhibits, Schedules and Appendices attached hereto, and together with Consultant’s Proposal contains the final, complete and exclusive statement of the terms of the agreement between the parties pertaining to the subject matter of this Agreement and supersedes all other previous oral and written agreements or understandings, and all contemporaneous oral and written negotiations, commitments, understandings and communications between the parties, relating to the subject matter of this Agreement. No party has been induced to enter into this Agreement by, nor is any party relying on, any representation or warranty outside those expressly set forth in this Agreement.

G. **Severability.** If any provision of this Agreement is held by any court to be invalid, void or unenforceable, in whole or in part, the other provisions shall remain unaffected and shall continue in full force and effect unless an essential purposes of this Agreement would be defeated by the loss of the illegal, invalid, or unenforceable provision.

H. **Waiver.** No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right or remedy shall be deemed a waiver of any other breach, failure, right or remedy, whether or not similar, or preceding or subsequent, nor shall any waiver constitute a continuing waiver unless the writing so specifies.
I. **Governing Law and Venue.**

(1) This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California without regard to principles of conflicts of laws.

(2) Any party bringing a legal action or proceeding against any other party arising out of or relating to this Agreement or the transactions it contemplates (whether in contract, tort, equity, or otherwise), shall bring the legal action or proceeding in either the United States District Court sitting in the County of Los Angeles, California or in any court of the State of California sitting in the County of Los Angeles, California.

(3) Each party to this Agreement consents to the exclusive personal and subject matter jurisdiction of any United States District Court sitting in the County of Los Angeles, California and any court of the State of California sitting in the County of Los Angeles, California, and their appellate courts for the purpose of all legal actions and proceeding arising out of or relating to this Agreement or the transactions it contemplates.

(4) LACERA, in its sole and absolute discretion, may waive the requirements of either or both of Sections 17.I(2) and 17.I.(3) as to either party or both parties to this Agreement.

J. **Assignment and Delegation.**

(1) Except as otherwise set forth herein Consultant may not assign any of its rights or delegate or subcontract any of its duties hereunder without LACERA’s prior written consent, which consent may be granted or withheld in LACERA’s sole discretion. Any attempted assignment or delegation in violation of this provision is void and entitles LACERA to terminate this Agreement. Despite LACERA’s consent, assignment does not release Consultant of any of its obligations or alter any of its primary obligations to be performed under this Agreement. Payments to any assignee under this Agreement shall be subject to set-off, recoupment, or other reduction for any claim that LACERA may have against Consultant. If Consultant is a partnership, this Agreement inures to the benefit of the surviving or remaining partners of such partnership.
K. **Execution in Counterparts; Facsimile Signatures.** The parties may execute this Agreement in any number of duplicate originals, each of which constitutes an original, and all of which, collectively, constitute only one agreement. The parties may execute this Agreement in counterparts, each of which constitutes an original, and all of which, collectively, constitutes only one agreement. Any party delivering an executed counterpart of this Agreement by facsimile shall also deliver a manually executed counterpart of this Agreement, but the failure to do so does not affect the validity, enforceability or binding effect of this Agreement.

L. **Notice of Delays.** Except as otherwise provided herein, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Agreement, that party will, within five business (5) days, give notice thereof, including all relevant information with respect thereto, to the other party.

M. **Time of the Essence.** Time is of the essence in respect to all provisions of this Agreement that specify a time for performance.

N. **Joint and Several Liability.** If Consultant consists of more than one person or entity, the liability of each such person or entity signing this Agreement as Consultant is joint and several.

O. **Word Usage.** Unless the context clearly requires otherwise, (i) the plural and singular number each include the other; (ii) the masculine, feminine, and neuter genders each include the others; (iii) "or" is not exclusive; (iv) "includes" and "including" are not limiting; and (v) "hereof," "herein," and other variants of "here" refer to this Agreement as a whole.

P. **Recitals.** The Recitals set forth above are incorporated into the body of this Agreement.

Q. **Fraud.** In the course of the Consulting Services, if the Consultant should uncover what it reasonably believes to be fraudulent activity by any individual associated with LACERA, it will immediately notify LACERA's Chief Counsel.

[Signatures follow on next page.]
IN WITNESS WHEREOF, LACERA has caused this Agreement to be signed by its duly authorized officer and the Consultant has caused this Agreement to be signed by its duly authorized officers, as of the date first set forth above.

LACERA:

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

By: ________________________________
Name: ________________________________
Title: ________________________________

Consultant:

[CONSULTANT NAME]

By: ________________________________
Name: ________________________________
Title: ________________________________
EXHIBIT A

TO THE INVESTMENT CONSULTING SERVICES AGREEMENT BETWEEN
LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
AND
[CONSULTANT NAME]

STATEMENT OF WORK
EXHIBIT B

TO THE INVESTMENT CONSULTING SERVICES AGREEMENT BETWEEN
LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION AND
[CONSULTANT NAME]

TIMELINE FOR DELIVERABLES

<table>
<thead>
<tr>
<th>Deliverables</th>
<th>Timeline</th>
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EXTERNAL QUALITY ASSESSMENT REVIEW (QAR) RFP

EXHIBIT C

TO THE CONSULTING SERVICES AGREEMENT
BETWEEN
LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
AND
[CONSULTANT NAME]

CERTIFICATION REGARDING FINANCIAL CONTACTS AND SOLICITATIONS

CONSULTANT acknowledges that the LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION (“LACERA”) is responsible for the administration of the employees’ retirement trust fund. The members of LACERA’s Board of Retirement and the Board of Investments (hereinafter referred to as the “Boards”) are the sole and exclusive trustees and fiduciaries of this statutory trust.

CONSULTANT agrees to assist the Boards in discharging their mutual fiduciary obligations and to affirmatively assist in identifying potential conflicts of interests. CONSULTANT hereby acknowledges that the Boards are directing CONSULTANT to file an annual certification regarding contacts, which may represent potential conflicts of interest and further agrees to furnish the annual certification.

In the event any person described below (a “Designated Person”) contacts CONSULTANT with respect to a financial transaction or solicitation which is not solely on behalf of LACERA’s business with CONSULTANT, CONSULTANT shall promptly report by telephone and in writing such contact to the respective Chairs of the Boards and the Chief Executive Officer. For purposes of reporting contacts, a “solicitation” includes, as an example and without limitation, a request for contribution to any campaign for any elected seat on either Board, or for a seat on the Board of Supervisors of Los Angeles County, made by or on behalf of a Designated Person. A Designated Person is:

1. Any member of either Board;
2. Any candidate for an elected seat on either Board;
3. Any member of the Board of Supervisors of Los Angeles County;
4. Any candidate for a seat on the Board of Supervisors of Los Angeles County;
5. Any of the LACERA Executive Staff designated on Attachment No. C-1 hereto; and
6. Any person claiming to represent or to have influence with any person described in (1) through (5) above.
LACERA may amend Attachment C-1 from time to time upon written notice to CONSULTANT.

CONSULTANT further agrees to furnish a certification, attested to by a responsible officer of CONSULTANT. The certification shall describe each contact reportable under the foregoing paragraph, listing the date(s) of such contact, the person making the contact and the subject matter of the contact. The certification shall state that except as specifically described in the certification, CONSULTANT has not been contacted by or on behalf of a Designated Person with respect to a financial transaction or solicitation which is not solely on behalf of LACERA’s business with CONSULTANT. Such certification shall be delivered upon the completion of the Consulting Services, or more frequently if requested by LACERA.
ATTACHMENT C-1

TO THE CONSULTING SERVICES AGREEMENT
BETWEEN
LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
AND
[CONSULTANT NAME]

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION (LACERA)
DESIGNATED PERSONS LIST
(Revised June 2, 2015)

**LOS ANGELES COUNTY BOARD OF SUPERVISORS**
- Michael D. Antonovich
- Don Knabe
- Sheila Kuehl
- Mark Ridley-Thomas
- Hilda Solis

**BOARD OF RETIREMENT**
1. Shawn Kehoe, Chair
2. Alan Bernstein, Vice Chair
3. William de la Garza, Secretary
4. Joseph Kelly, Ex-Officio
5. Anthony Bravo
6. Yves Chery
7. Vivian H. Gray
8. David L. Muir, Alternate
9. Ronald A. Okum
10. William R. Pryor, Alternate Safety Member
11. Les Robbins

**BOARD OF INVESTMENTS**
1. John Barger, Chair
2. David Green, Vice Chair
3. Joseph Kelly, Ex-Officio & Secretary
4. Shawn Kehoe
5. Diane Sandoval
6. Herman B. Santos
7. Kenneth M. Simril
8. Valerie Villarreal
9. Estevan Valenzuela

**Contact Person**
- Bonnie Nolley, Secretary
- 300 North Lake Avenue, Suite 820
- Pasadena, CA 91101

**EXECUTIVE STAFF**
- Gregg Rademacher, Chief Executive Officer
- Robert R. Hill, Assistant Executive Officer
- John Popowich, Assistant Executive Officer

**INVESTMENTS**
- Vache Mahseredjian, Interim Chief Investment Officer
- John D. McClelland, Principal Investment Officer - Real Estate
- Christopher J. Wagner, Principal Investment Officer - Private Equity
- Ted Wright, Principal Investment Officer - Equities
- James Rice, Senior Investment Officer - Hedge Funds
- Amit Aggarwal, Investment Officer – Real Estate
- David Chu, Investment Officer - Private Equity
- Dale Johnson, Investment Officer - Equities
<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robert Z. Santos</td>
<td>Investment Officer - Fixed Income</td>
</tr>
<tr>
<td>David Simpson</td>
<td>Investment Officer - Private Equity</td>
</tr>
<tr>
<td>Esmeralda del Bosque</td>
<td>Senior Investment Analyst - Fixed Income</td>
</tr>
<tr>
<td>Elin Szymanowski</td>
<td>Senior Investment Analyst - Private Equity</td>
</tr>
<tr>
<td>Shelly Tiley</td>
<td>Senior Investment Analyst - Private Equity</td>
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<td>Sergik Tahmazyan</td>
<td>Investment Analyst - Fixed Income</td>
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<tr>
<td>Inga Tadevosyan</td>
<td>Administrative Analyst - Real Estate</td>
</tr>
<tr>
<td>Trina Sanders</td>
<td>Investment Officer - Real Estate</td>
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<tr>
<td>Juan M. Almaguer</td>
<td>Senior Investment Analyst - Fixed Income</td>
</tr>
<tr>
<td>Ron Senkandwa</td>
<td>Senior Investment Analyst - Equities</td>
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<tr>
<td>Ingrid Tang</td>
<td>Senior Investment Analyst – Hedge Funds</td>
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<tr>
<td>Michael Romero</td>
<td>Investment Analyst – Real Estate</td>
</tr>
<tr>
<td>Mel Tsao</td>
<td>Investment Analyst - Equities</td>
</tr>
<tr>
<td>Steven P. Rice</td>
<td>Chief Counsel</td>
</tr>
<tr>
<td>Frank Boyd</td>
<td>Senior Staff Counsel</td>
</tr>
<tr>
<td>Michael D. Herrera</td>
<td>Senior Staff Counsel</td>
</tr>
<tr>
<td>John Harrington</td>
<td>Staff Counsel</td>
</tr>
<tr>
<td>Lisa Garcia</td>
<td>Legal Analyst</td>
</tr>
<tr>
<td>Fern M. Billingy</td>
<td>Senior Staff Counsel</td>
</tr>
<tr>
<td>Johanna M. Fontenot</td>
<td>Senior Staff Counsel</td>
</tr>
<tr>
<td>Christine Roseland</td>
<td>Senior Staff Counsel</td>
</tr>
<tr>
<td>Jill Rawall</td>
<td>Staff Counsel</td>
</tr>
<tr>
<td>Margo McCabe</td>
<td>Legal Analyst</td>
</tr>
</tbody>
</table>

**LEGAL**

**INTERNAL AUDIT**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Richard Bendall</td>
<td>Chief Audit Executive</td>
</tr>
<tr>
<td>Quoc Nguyen</td>
<td>Principal Internal Auditor</td>
</tr>
<tr>
<td>Beulah S. Auten, CPA</td>
<td>Chief Financial Officer</td>
</tr>
<tr>
<td>Leisha Collins</td>
<td>Principal Internal Auditor</td>
</tr>
<tr>
<td>Darla Vidger</td>
<td>Internal Auditor</td>
</tr>
</tbody>
</table>

**ACCOUNTING**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Theodore R. Granger, CPA</td>
<td>Assistant Financial Officer</td>
</tr>
</tbody>
</table>
Appendix C: Internal Audit Charter

The following is the most current Internal Audit Charter approved in November, 2010.

I. MISSION

The mission of Internal Audit is to provide independent, objective assurance and consulting services designed to add value and improve the organization’s operations. Internal Audit helps the organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

II. OBJECTIVE AND SCOPE OF WORK

A. Assurance Objectives

The objective of assurance services is to provide management and the Audit Committee with an independent assessment of operations. Assurance services include audits and continuous process testing to assess if the organization’s assets are adequately safeguarded, operating efficiency is enhanced, and compliance is maintained with prescribed laws and LACERA policies. Assurance services also include the independent assessment of the organization’s risk awareness, reliability and integrity of the organization’s data and the achievement of LACERA’s goals and objectives.

B. Consulting and Advisory Objectives

Consulting Services - Provide management with formal assessments and advice for improving processes that will advance LACERA’s goals and objectives. Internal Audit will participate as consultants in the planning, design, development, and implementation and modification phases of policies, procedures and systems, both manual and electronic. Also, opportunities for improving management control, profitability, and LACERA’s image may be identified during audits; and these will be communicated to the appropriate level of Management.

Advisory Services - Provide informal advice to management. Internal Audit may provide advice on the front-end of projects so that risks are managed and internal controls may be designed and incorporated at the beginning of a project. Examples of advisory services include participating in various committees in an ex-officio capacity; providing routine advice on policies, establishing controls, implementing audit recommendations, providing training and risk management tools, and facilitating meetings.
C. **Scope of Work**

Internal Audit’s overall scope of work is to determine whether LACERA’s network of risk management, control, and governance processes, as designed and represented by Management, is adequate and functioning in a manner to ensure:

- Risks are appropriately identified and managed.
- Interaction with the various governance groups occurs as needed.
- Significant financial, managerial, and operating information is accurate, reliable, and timely.
- Employees’ actions are in compliance with policies, standards, procedures, and applicable laws and regulations.
- Resources are acquired economically, used efficiently, and adequately protected.
- Programs, plans, and objectives are achieved.
- Quality and continuous improvement are fostered in LACERA’s control process.
- Significant legislative or regulatory issues impacting LACERA are recognized and addressed appropriately.
- Programs are operating within fiduciary standards, laws, regulations, and LACERA policies.

III. **ACCOUNTABILITY**

The Chief Audit Executive, in the discharge of his/her duties, shall be accountable to Management and the Audit Committee to:

- Provide annually an assessment on the adequacy and effectiveness of LACERA’s processes for controlling its activities and managing its risks in the areas set forth under the mission and scope of work.
- Report significant issues related to the processes for controlling the activities of LACERA and its affiliates, including potential improvements to those processes, and provide information concerning such issues through resolution.
- Periodically provide information on the status and results of the annual audit plan and the sufficiency of department resources.
• Coordinate with and participate in other control and monitoring functions (risk management, compliance, security, privacy, legal, ethics, environmental, external audit).

IV. INDEPENDENCE

The Chief Audit Executive reports functionally to the Audit Committee of the Board of Investments and Board of Retirement, and administratively to the Chief Executive Officer. This reporting structure provides for Internal Audit independence and objectivity as required by professional standards.

V. RESPONSIBILITY

The Chief Audit Executive and staff of Internal Audit have responsibility to:

• Develop a flexible annual audit plan using an appropriate risk-based methodology, including any risks or control concerns identified by management, and submit that plan to the Audit Committee for review and approval as well as periodic updates.

• Implement the annual audit plan, as approved, including as appropriate any special tasks or projects requested by Management and the Audit Committee.

• Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this Charter.

• Report to the Audit Committee significant changes in Internal Audit personnel.

• Maintain an effective quality assurance and improvement program to include supervision, training, internal reviews, and external reviews.

• Perform consulting services, beyond Internal Audit’s assurance services, to assist management in meeting its objectives. Examples include facilitation, process design, training, and advisory services.

• Evaluate and assess significant merging/consolidating functions and new or changing services, processes, operations, and control processes coincident with their development, implementation, and/or expansion.

• Issue periodic reports to the Audit Committee and Management summarizing results of audit activities.

• Keep the Audit Committee informed of emerging trends and successful practices in internal auditing.

• Provide a list of significant measurement goals and results to the Audit Committee.

• Assist in the investigation of significant suspected fraudulent activities within LACERA and notify Management and the Audit Committee of the results.
• Consider the scope of work of the external auditors and regulators, as appropriate, for the purpose of providing optimal audit coverage to LACERA at a reasonable overall cost.

• Act as the contract manager and primary point of contact related to financial statement and related audits, fiduciary reviews, and other inquiries involving external audit or evaluation groups.

VI. AUTHORITY

The Chief Audit Executive and staff of Internal Audit are authorized to:

• Have unrestricted access to all functions, records, property, and personnel.

• Have full and free access to the Audit Committee.

• Allocate resources, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish audit objectives.

• Obtain the necessary assistance of personnel in units of LACERA where they perform audits, as well as other specialized services from within or outside LACERA.

The Chief Audit Executive and staff of Internal Audit are not authorized to:

• Perform any operational duties for LACERA or its affiliates.

• Initiate or approve accounting transactions external to Internal Audit.

• Direct the activities of any organization employee not employed by Internal Audit, except to the extent such employees have been appropriately assigned to auditing teams or to otherwise assist the internal auditors.

VII. STANDARDS OF AUDIT PRACTICE

Internal Audit will adhere to the *International Standards for the Professional Practice of Internal Auditing* and to the *Code of Ethics*, both as promulgated by The Institute of Internal Auditors; and it will obtain guidance from professional standards and practices of other, relevant professional organizations, including but not limited to the American Institute of Certified Public Accountants, the Information Systems Audit and Control Association, the Association of Certified Fraud Examiners and the Association of Public Pension Fund Auditors.

The Internal Audit Charter revisions were adopted by the Audit Committee of the Los Angeles County Employees Retirement System on November 17, 2010.
Appendix D: Internal Audit Organization Chart

Chief Audit Executive (CAE)

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<thead>
<tr>
<th>Principal Internal Auditor</th>
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<tbody>
<tr>
<td>Senior Internal Auditor</td>
<td>Senior Internal Auditor</td>
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<tr>
<td>Internal Auditor</td>
<td>Internal Auditor</td>
</tr>
<tr>
<td>Secretary</td>
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Appendix E: Notice of Intent to Respond

If you choose to respond to this RFP please submit this form to Darla Vidger via email by 5:00 p.m., PST June 19, 2015. Failure to submit your Intent to Respond may disqualify your firm from submitting a proposal.

LACERA’s responses to written requests for clarification or additional information will be provided to all firms who have submitted an Intent to Respond.

To:             Darla Vidger
From:           

Co:             LACERA – Internal Audit
Title:          

Fax:             626-685-4632
Company:        

Phone:          626-564-2467
Phone:          

Email:          dvidger@lacera.com
Email:          

Re:             Intent to Respond
Date:           

Our firm intends to submit a response for LACERA’s RFP for the LACERA Internal Audit Quality Assurance Review (QAR).

Please forward inquiries to the following contact:

Name: ____________________________
Title: ____________________________
Company: _________________________
Mailing Address: _________________
Telephone: _______________________
Facsimile: _______________________ 
E-mail Address: _________________