



Los Angeles County Employees Retirement Association
300 North Lake Avenue
Suite 650
Pasadena, CA 91101

**REAL ESTATE ADMINISTRATIVE SERVICES
SERVICE PROVIDER SEARCH**

October 31, 2018

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
REQUEST FOR INFORMATION

REAL ESTATE ADMINISTRATOR SERVICES
SERVICE PROVIDER

Purpose

The Los Angeles County Employees Retirement Association (“LACERA”), a \$57 billion public fund, is evaluating the capabilities of service providers that perform real estate–related back office accounting, administrative, operational, tax and legal-related services. LACERA’s Board of Investments has established the following minimum qualifications for this evaluation:

Minimum Qualifications

1. The service provider must have at least three years of history providing back office fund and program accounting, administration, operational, and legal services relating to real estate.
2. The service provider must have at least three institutional clients for which such real estate fund accounting, administration, operational, and legal services are provided.



General Information

The Los Angeles County Employees Retirement Association (“LACERA”) was established under the provisions of the County Employees Retirement Law of 1937. LACERA is governed by two nine-member Boards: Board of Retirement (“BOR”) and Board of Investments (“BOI”). The Board of Retirement is responsible for the administration of the retirement system. The Board of Investments is responsible for establishing LACERA’s investment policy and objectives, as well as exercising authority and control over the investment management of the fund. The day-to-day management of LACERA is delegated to a Chief Executive Officer appointed by both Boards.

LACERA administers a pension fund with approximately \$57 billion in total assets as of September 30, 2018. As of that date, LACERA’s Real Estate portfolio was 11.1% of the total fund.

The real estate program is made up of 13% comingled funds and 87% separate accounts. The separate accounts are held in Special Purpose Entities (“SPE”) that hold title to real estate investments. As of October 2018, LACERA’s real estate portfolio included 12 separate account managers (consisting of 180 SPEs and 102 separate account properties), and 20 comingled funds.

Scope of Work

LACERA's Board of Investments has elected to explore the possibility of retaining the services of a qualified Real Estate Administrative Service provider (“RE Administrator”). The RE Administrator will provide operational, legal, tax and administrative services relating to the Fund’s Real Estate program impacting several groups within LACERA, including the Executive Office, Legal Office, Financial Accounting Services Division (FASD) and the Investment Office.

The RE Administrator will handle all or some of the following tasks for the Real Estate program. Some of the required services are listed below:

- Establishing and maintaining accounting records/Serve as the book of record
 - Reconciliation

- Capital Call/Distribution management
- Preparing wire transfer requests/documentation between LACERA and SPEs
- Ability to provide different methods and levels of performance calculation
- Fee Validation
- Establishing legal SPEs - including, but not limited to
 - Preparing articles of incorporation
 - Creating bank accounts for each SPE
 - Making necessary filings in states of operations
 - Obtaining appropriate federal and state identification numbers
 - Engaging legal service agents in each state where property is held
 - Maintaining corporate records and holding mandatory meetings
 - Declaring and making dividend distributions to the shareholder

- Engaging external financial statement auditors

- Reporting on all of the above to LACERA as well as LACERA’s auditors and custodian



If LACERA elects to retain an RE administrator, the preference will be to select a single service provider. However, LACERA reserves the right to hire more than one service provider. Furthermore, LACERA may choose to engage an RE administrator to provide one, some or all of the services referenced above.

Submission Requirements

If your firm is interested in participating in this evaluation, please submit **five (5) copies**, spiral bound (no hard binders or marketing materials) of your written response, **maximum 30 pages, double-sided** (excluding supplemental information), in 12-point font size. Also submit **one (1) electronic copy** (using Microsoft Word or PDF) on a USB flash drive to:

Trina Sanders
Investment Officer
LACERA
Gateway Plaza
300 North Lake Avenue, Suite 650
Pasadena, CA 91101
readminservices@lacera.com

Mark Jackman
Meketa Investment Group
5796 Armada Drive, Suite 110
Carlsbad, CA 92008

In addition, please send **one unbound copy**, and **one USB flash drive**, each marked “REDACTED.” 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, (California Government Code section 6250 et seq.). Redactions should appear as blacked out material or blank page(s) the word “REDACTED” or “PROPRIETARY” inserted.

Attachments

Please submit all answers to the questions in **section F, Supplemental Information**, in an Appendix or separate Binder

Questions Relating to this RFI

All questions, inquiries, and requests for additional information concerning this RFI should be directed to LACERA no later than **3:00 PM PST, Wednesday, November 14, 2018** and should be sent by e-mail (readminservices@lacera.com). All questions received and responses to questions will be posted on LACERA’s website:
http://www.lacera.com/Opportunities/rfp_opportunities.html on or about **3:00 PM PST, Wednesday, November 21, 2018**.

Deadline for RFI Proposals

Completed responses to the RFI must be received no later than **3:00 PM PST, Thursday, November 29, 2018**. Responses received after the specified deadline may be considered for evaluation solely at the discretion of LACERA.



Evaluation of Responses and Additional Conditions

All responses received shall be subject to evaluation by a committee and, if advanced to the semi-finalist shortlist, will involve telephonic and/or in-person committee interviews and on-site visits. The finalists may be asked to make oral presentations to the BOI. The final evaluation and selection will be made by the BOI. LACERA reserves the right to reject all responses.

Additional Information

Please note that during this evaluation process LACERA staff will not answer any questions related to the RFI except as set forth in the above paragraphs. After **November 14, 2018**, if a question appears unclear to you, please state your interpretation of the question and answer it accordingly.

To ensure that prospective service providers responding to this RFI have equal access to information regarding the RFI and communications related to the RFI are consistent and accurate so that the selection process is efficient and fair, a quiet period will be in effect from the date of issuance of this RFI until the selection of one or more respondents is completed and announced. During the quiet period, respondents are not permitted to communicate with any LACERA staff member or Board member regarding this information request. Respondents violating the quiet period may be disqualified at LACERA's discretion. Respondents who are existing LACERA service providers must limit their communications with LACERA staff and Board members to the subject of the existing services provided by them.

Timetable

The following is the tentative time schedule for LACERA's RFI search for the Real Estate Administrative Services. All dates are subject to modification by LACERA.

RFI Issued	November 5, 2018
RFI Question Deadline	November 14, 2018
LACERA Responds to Submitted Questions	November 21, 2018
RFI Response Deadline	November 29, 2018
In-House Interviews (Tentative)	January 10-17, 2019
On-Site Interviews (Tentative)	January 28-February 1, 2019
Update on RFI to Board of Investments (Tentative)	March 2019

Thank you for your interest in providing administrative services to LACERA.



Notice to Respondents Regarding the California Public Records Act and Ralph M. Brown Act

The information you submit in response to this RFI will be subject to public disclosure pursuant to the California Public Records Act (Cal. Gov. Code Sections 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. In addition, if LACERA staff chooses to recommend your firm to the Board of Investments for hiring, such recommendation and the relevant proposal(s) will appear on a publicly posted agenda for a public meeting of the Board of Investments in accordance with the Ralph M. Brown Act (Cal. Gov. Code section 54950, et seq., the “Sunshine Law”), and parts or all of your proposal may be included in the agenda packet that is available to the public generally. If it is included in the agenda packet, your proposal will not be exempt from disclosure under the Act.

If you believe in good faith that any portion of your response to this RFI is exempt from public disclosure under the Act and should not be included as part of the agenda packet, you must mark such portion “TRADE SECRETS,” “CONFIDENTIAL,” or “PROPRIETARY” with a brief explanation for the exemption under the Act, and make it readily separable from the balance of your response. Responses 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 responses so marked. By submitting a response 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. You may be required to justify in writing why such material should not, upon request, be disclosed by LACERA under the Act and should not be included in the agenda packet. Fee and pricing proposals are not considered TRADE SECRET,” “CONFIDENTIAL,” or “PROPRIETARY”.

If LACERA receives a request pursuant to the Act for materials that you have marked “TRADE SECRET,” “CONFIDENTIAL,” or “PROPRIETARY,” and if LACERA agrees that the material requested is not subject to disclosure under the Act, LACERA will either notify you so that you can seek a protective order at your own cost and expense, or LACERA will deny disclosure of those materials. LACERA will not be held liable, however, for inadvertent disclosure of such materials, data, and information.

If LACERA denies disclosure, then by submitting your proposal you agree to reimburse LACERA for, and to indemnify, defend, and hold harmless LACERA, its officers, fiduciaries, employees, and agents from and against 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, in connection with, or relating to LACERA's non-disclosure. By submitting your proposal, you also agree to defend, indemnify, and hold LACERA harmless from and against any and all Claims arising from, in connection with, or relating to LACERA's public disclosure of any such designated portions of your response if LACERA reasonably determines disclosure is required by law, or if disclosure is ordered by a court of competent jurisdiction.



Proposals Become LACERA Property

The information you submit in response to this RFI will become the exclusive property of LACERA. Your proposal will not be returned to you, and LACERA will not reimburse you for response preparation expenses.

Contract Negotiations

If LACERA's Board of Investments so authorizes, staff will enter into negotiations with the approved firm(s) to enter into an agreement. LACERA may terminate negotiations, at its sole discretion, if it believes it cannot negotiate a satisfactory agreement. LACERA reserves the right to award a contract based upon proposals received. Bidders should not expect an opportunity to alter their proposals (e.g., services to be provided, fees) during contract negotiations.

The final contract must allow LACERA to terminate (a) for its convenience upon not more than 30 days' notice, (b) if funds are not appropriated for the services to be provided, and (c) for default.

A general form of an agreement will be provided to respondent(s) selected as finalists by LACERA. The finalists will then be given a period of time to review the agreement and, if desired, to propose any modifications to the agreement. A respondent will be deemed to have agreed to each clause in the agreement (and not to seek inclusion of additional clauses), unless the respondent identifies an objection or inclusion, sets forth the basis for the objection or inclusion, and provides substitute language to make the clause acceptable to the respondent or to address an issue the respondent feels is not addressed by the agreement.

Reservations by LACERA

LACERA reserves the right to cancel this RFI, in whole or in part, any time before the closing date.

LACERA is not liable and will not reimburse you for any costs your firm incurs in connection with the preparation or submission of any proposal.

If you submit a response to this RFI, 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.

LACERA 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.

LACERA reserves the right to reject, in whole or in part, any and all proposals received; to waive minor irregularities; to negotiate in any manner necessary to best serve the public interest; and to make a single award, multiple awards, a partial award, or no award.

LACERA reserves the right to award a contract, if at all, to the firm which, in LACERA's sole discretion, will provide the best match to the requirements of the RFI and the needs of LACERA, which may not be the proposal offering the lowest fees.



LACERA reserves the right to request additional documentation or information from Respondents. Requested information may vary by respondent. LACERA may ask questions of any Respondent to seek clarification of a proposal or to ensure the Respondent understands the scope of the work or other terms of the RFI. LACERA reserves the right to terminate or modify this RFI.

LACERA reserves the right to submit the final agreement between LACERA and the Respondent to the Board of Investments for approval.

This RFI is not an offer of a contract. Acceptance of a proposal does not commit LACERA to award a contract to any Respondent, even if the Respondent satisfied all requirements stated in this RFI. Publication of this RFI does not limit LACERA's right to negotiate for the services described in this RFI. If deemed by LACERA to be in its best interests, LACERA may negotiate for the services described in this RFI 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 RFI.



LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

REQUEST FOR INFORMATION (RFI)

REAL ESTATE SERVICES PROVIDER

MINIMUM QUALIFICATIONS COMPLIANCE

*(To be signed by an authorized person¹ and **returned** with RFI response)*

Respondent hereby certifies that it meets all of the following minimum qualifications:
YES / NO

- 1. As of September 30, 2018, the administration service provider must have at least three years of history providing fund and program administration services relating to real estate.
- 2. The service provider must have at least three institutional clients for which real estate fund administration services are provided.

Name

Signature

Title

Date

¹ Your signature indicates your authority to act on your firm’s behalf, and that all of the information your firm has provided in response to this RFI is true and correct to the best of your knowledge. Failure to disclose accurate information may result in immediate disqualification from the evaluation process.



LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

REQUEST FOR INFORMATION (RFI)

FOR

REAL ESTATE ADMINISTRATIVE SERVICES

October 31, 2018

CONTACT INFORMATION

FIRM NAME: _____

ADDRESS: _____

CONTACT NAME: _____

TITLE: _____

TELEPHONE #: _____

FACSIMILE #: _____

E-MAIL: _____



A. COMPANY BACKGROUND

1. Please indicate your firm's fiduciary classification(s):
 - Bank
 - Investment Consultant
 - Registered Investment Advisor
(Investment Advisers Act of 1940)
 - Administrator
 - Other _____

2. Please give a brief history of the firm including:
 - a) The year organized;
 - b) The year the firm began providing the Proposed Service (PS) in general; and
 - c) The year the PS was introduced for Real Estate

3. Describe the nature of the firm's ownership, including specific details about any affiliated companies or joint ventures. Please provide a breakdown of the firm's ownership, identifying employee owners as well as any affiliated or outside interest.

4. Within the past three years, have there been any significant developments in your organization such as changes in ownership, restructuring, or personnel reorganization? Do you anticipate future significant changes in your organization?

5. Provide an overview of your organization detailing the location and major divisions including with the services they offer relating to the PS:

HEADQUARTERS OR REGIONAL OFFICE	LOCATION	FUNCTION	NUMBER OF PROFESSIONALS

6. Discuss the overall business objectives of your firm concerning future growth. Comment on any present or planned areas of emphasis in the near to intermediate term.

7. What services, if any, does your firm offer in addition to the PS?

8. Provide a summary of your firm's internal controls structure. Does the firm conduct periodic risk assessment?

9. Does the firm have a Chief Compliance Officer (CCO)? What is the name of that individual? Do they have legal training? Please attach their biography.

10. Has your firm ever experienced a significant violation of your compliance or ethics policy? If a violation has occurred, please explain what happened, how the violation of the firm's policies was handled, and how the issue was resolved.

11. Over the last ten years has your firm, affiliates, parent, any officer, or principal been involved in any inquiry/investigation by a federal or state governmental agency? Has any inquiry/investigation been related to the PS? If so, provide a brief explanation and indicate the current status.



12. Has your firm been audited by the Securities and Exchange Commission (“SEC”) or any regulatory agency in the last ten years? If yes, please provide a summary of findings and actions taken, if any.
13. Please describe any potential conflicts of interest your firm may have in the management of this account. Include any activities of affiliated or parent organizations, brokerage activities, investment banking activities, or any past or current relationships of any kind with LACERA Board members and staff. Include any other pertinent activities, actions, or relationships not specifically outlined in this question. How are your policies designed to monitor and address those conflicts?
14. Describe any restriction imposed by a governmental or regulatory authority on your firm, fund administrator, or an of its affiliates.
15. What distinguishes your firm from competitor’s in the role of administrator, and more specifically, as a real estate administrator?
16. What do you consider to be your firm’s specialties, strengths, and limitations?
17. Provide the names of your auditors and when they were appointed. If you have changed any in the last three years, explain why.
18. Have your procedures been subjected to external review i.e. by the auditors and if so when?

B. PROFESSIONAL STAFF

19. Describe the structure of staff involved in the PS – are they functionalized teams or multi-disciplined?
20. List all key staff involved in the PS below. Only list those individuals that will be directly involved in the PS. Highlight the person(s) who would be responsible for the account.

NAME	TITLE	RESPONSIBILITIES	TOTAL YEARS OF EXPERIENCE	TOTAL YEARS AT FIRM	LOCATION	# OF CLIENTS

21. Describe the compensation model for staff that will be directly involved in the PS. Delineate between management and general personnel.
22. Are any investment professionals under employment contracts? If so, please discuss the nature of the contracts.
23. Have any investment team members or executive level personnel left or joined the firm in the last five calendar years? If so, indicate the dates and why they joined or left. Describe their responsibility for products.



24. Who will be Client Relationship Manager (or equivalent) allocated to our fund? Why was this person chosen and does this person have related Real Estate experience?
25. Describe the staffing and responsibilities of your firm's legal and compliance department, and the relationship between legal and compliance coverage for the administration business and the firm's larger legal and compliance departments.
26. What percentage of the team holds professional certifications (CPA's) and what are the requirements for continuing education for the members of the account team?

C. CLIENTS & ASSETS UNDER ADMINISTRATION

27. Provide a historical overview of your fund administration business growth over the past five years. Provide the same information for you real estate administration service.
28. Provide a list of representative clients. Please include your five largest public pension clients and their approximate asset size.
29. What are the total assets under administration for all alternative investments? Please describe what this includes.
30. Provide the Number of Clients, Assets Under Administration, and Scope of Work in the table below:

CLIENT TYPE	HEDGE FUNDS & FUNDS OF HEDGE FUNDS	PRIVATE EQUITY & DEBT	REAL ESTATE	REAL ASSETS (NOT INCLUDING RE)	OTHER (DEFINE)	SCOPE OF WORK
e.g. Public Plan, Endowment	e.g. 5 clients/\$3bb					

31. Provide the number of clients and AUM gained and lost for the last five years:

YEAR	# OF CLIENTS GAINED	AUM OF MANDATES GAINED	# OF CLIENTS LOST	AUM OF MANDATES LOST
YTD (9/30/2018)				
2017				
2016				
2015				
2014				



32. Provide as references three clients for whom work similar to that requested in this RFP has been performed:

CLIENT NAME	CONTACT PERSON	TITLE	ADDRESS	PHONE NUMBER

D. SERVICE MODEL AND PROCESS

33. Please describe your philosophy and process in executing the PS. Is there anything unique in your firm’s approach to the PS in a manner different than the rest of the industry?
34. What are the most crucial issues for LACERA to consider in hiring a service provider for the PS?
35. Is there any portion of LACERA’s scope of work that should not be included as part of the PS? Why?
36. If a client were to add a new real estate manager to its roster, provide what your firm thinks is industry best practice for what that process should include. Detail every operational step the client should take, identifying what steps/services an administrator could complete. Provide answers for:
- a. a separate account
 - b. a commingled fund
37. Repeat the above, for the termination of a separate and commingled fund account.
38. List all standard services provided in a typical pension plan full service relationship. List the specialized services that you have provided to meet other needs of your clients.
39. Describe other services or products, current or under development, that you believe would be of interest to us.
40. If your firm uses the services of a subcontractor, please identify the subcontractor and the service they provide. Describe the skills and qualifications of the subcontractor and its employees.
41. If specific knowledge does not exist in-house, will you hire additional resources to support the account if necessary?

Administrative Services - Accounting and Performance

42. Describe the accounting and performance systems used for the PS. Specify what systems are proprietary or excel-based.
43. Describe how your firm would work with LACERA’s custodian in managing the PS.
44. Describe your procedures with respect to the following real estate accounting and performance areas. Indicate which steps are manual and which are automated, and what events, if any, require deviations from the customary procedures:



Accounting Area	Automated/Manual	Standard/Deviation	Process Description
Income / Expense Allocations			
Capital accounting reporting			
P&L Estimates			
Capital Calls			
Distributions			
Rebalancing			
Partner Transfers			
Mark to market			
Subscription / Redemption / Rebalancing			
Performance – Fund Level			
Performance – Investor Level			

45. Describe the frequency of accounting (daily, monthly, quarterly) and market value updates (quarterly, annual).
46. Provide an overview of your resources and abilities to review and determine the applicability of existing and new accounting standards.
47. Describe your firm’s interactions with client’s real estate team, third party valuation firms, and client accounting groups and experience with such teams/firms.
48. Do you support all accounting methods, including GAAP (Historical Cost and Fair Value bases) and tax basis? Please provide a list of all supported accounting bases, your team’s qualifications to support such bases and describe your processes to maintain multiple sets of books for a given fund.
49. Does your accounting system enable you to allocate partnership income by category to investors (e.g., dividends, realized gains/losses, unrealized gains/losses)? Please describe how this process works and what allocation methods are available.
50. Describe your cash management offerings, including the services and associated processes.
51. Describe your experience dealing with third party property managers who operate on multiple accounting platforms?
52. Do you engage third party appraisers to establish value? If so, how often? (quarterly semi-annually or annually. How are the appraisers selected? How do you reconcile the appraiser’s reports with current value?
53. Does your firm offer independent valuation services or use fund financial statements? Describe.
54. Can you maintain investor information necessary to comply with tax reporting requirements?
55. Describe your process and resources available for helping clients work through potential income tax matters. Include your firm’s experience with filing for exemptions and preparing tax returns.
56. Provide a description of your experience working with clients’ external auditors and providing them with information.
57. Describe your experience working with external auditors hired by clients to provide annual



- attestation audits at the real estate advisor level (property and portfolio holdings).
58. Describe your overall processes and impact on the program for non-U.S. funds (e.g. coverage across time zones, countries, structure of teams/processes, and working with non-U.S. providers and withholding taxes).
 59. Describe your capabilities to support varying management fee calculation methodologies. Include in your response, your ability to support management fees with multiple tiers, breaks inside and outside of a fund and structures with management fee rebates.
 60. Are you able to review, record, and maintain all relevant records for fund fees and expenditures? Describe your capabilities for both separate accounts and commingled funds.
 61. What is your experience reporting fees that comply with AB2833?
 62. For waterfall calculations & claw backs (investor-level and asset-level) – describe the different variations of models supported for clients, what system is used (please specify if Excel based), and the process to understand, setup and implement waterfall calculations? Can you provide a full recalculation of fees drawing from LPA terms?
 63. Describe how your firm can support the review procedures by LACERA to ensure comfort over the accuracy of performance and waterfall calculations.
 64. Describe the process for validating, paying, and accounting for fees.
 65. Can your fund accounting system's chart of accounts be adjusted and/or customized to meet specific client needs (e.g., new security types, reporting categories)? Please describe the process, including turnaround time.
 66. Do you provide support to comply with NCREIF PREA reporting standards (formerly REIS)?
 67. Provide a list of standard reports available from your reporting system (including Real Estate specific reports). Can reports be run for selected periods (e.g., three months, six months, calendar, or fiscal year or since inception)? Please describe your capability for historical reporting (e.g., two, five, ten years) and your archiving process.
 68. Describe the process for, and frequency of reconciling cash balances, NAV, closing statements for various transactions, and performance for the fund with:
 - o The Investment Manager
 - o The Prime Broker
 - o The Payment Bank
 - o The Custodian
 69. Describe the procedures for resolving any variances or differences in such reconciliations, including procedures for documenting such variances and specify who is responsible for such documentation.

Establishing Bank Accounts

70. Can you assist with the establishment of bank accounts for the movement of capital to and from LACERA and third parties?
71. Please explain the process in determining whether the existing bank accounts will be used or if new



accounts will be open at a new bank.

72. What is the process to establish new bank accounts? Please describe how you work with an external manager in processing:
 - a. Signature cards
 - b. Giving external managers access to different functions within each account
 - c. Your customer service in trouble shooting problems

Special Purpose Entities (SPE)

73. Describe your process for establishing and maintaining legal SPE or Title Holding Companies which hold newly purchased acquisitions. Please include the following details:
 - a. Establishing and maintaining SPEs
 - b. Preparing formation documents
 - c. Qualifying companies to do business in foreign jurisdictions and filing annual reports in states of operations
 - d. Obtaining appropriate federal and state identification numbers
 - e. Engaging legal agents for service of process in each state where property is held
 - f. Determining type of entity to form to observe tax exempt status and state rules
 - g. Maintaining company records
 - h. Holding mandatory corporate meetings, and special meetings
 - i. Declaring and making dividend distributions to the shareholders
 - j. Winding down and dissolving companies
 - k. Preparing Federal and State exemption applications
 - l. Responding to regulatory inquiries
 - m. Coordinating communication with Advisors and third party managers
 - n. Preparing property management and broker agreements
74. Describe your process for engaging external auditor to conduct audits on each of the SPE entity also include the process for reviewing each audit report.
75. Describe your process for setting up the accounting platform for LACERA's separate account structure (SPEs).

Subscription and Redemption Documents

76. Describe the background and experience of staff reviewing subscription and redemption documents
77. How would you track and follow up with investors to obtain required missing information?
78. Describe processes and/or systems that are used for retention of the executed documents.
79. What notification, if any, is sent to the investor when subscription/redemption documents are received? Incoming wire received? Outgoing wires sent?
80. Describe steps that are taken when a wire amount doesn't agree to the amount indicated on the subscription document.

Capital Calls and Distributions

81. Describe your process for supporting investor capital calls and distributions.
82. Describe your process to verify, confirm, approve, and maintain all capital calls/distributions.



- How do you escalate any cash or shortfall/discrepancies during capital calls?
83. Describe your online capital call and distribution transaction modules.
 84. How do you deliver the applicable capital call/distribution documents? What processes and/or systems are used for retention of the documents?
 85. Describe, in detail, what reporting your firm can provide to clients for partner capital statements and capital call/distribution notices.

Wire Processing

86. Do you have the capabilities to process wires? If yes, do you have a workflow tool allowing clients to enter and monitor wires? What is the approval process? How much lead-time is required to process a typical wire?
87. Describe in detail the process and controls for capturing all cash movements, including systems, tools used, etc.
88. Please describe your process in preparing wire transfer requests:
 - a. What documentation is need to process wire request?
 - b. What approvals are needed?
 - c. How long does it take from start to finish of the process?
 - d. How do you reconcile that the transaction occurred?
 - e. How is the external manager and LACERA notified when the transaction is completed?

Financial and Performance Reporting

89. Provide a detailed list of performance return types and performance statistics that your firm can provide, both at the fund and investor levels.
90. What is your internal process for completing monthly, quarterly and annual performance processes from a property up to a fund? Describe the timing of completion.
91. Do you provide clients look-through holdings information? If so, how is the information distributed? How many business days after month end are the holdings available?
92. Asset Level Reporting and Dash boards: Please provide sample of information that is provided to both LPs and managers for Real Estate Funds.
93. Describe your capabilities to deliver customized reports. What is the turnaround time?
94. Describe your services with respect to the preparation of the unaudited and audited annual financial statements, including drafting of all the footnotes required under GAAP for a real estate and/or private equity fund, and the coordination of the audit. Which firms are currently auditing funds that you manage?
95. Do you have the ability to maintain financial statements at the property, investment, and fund levels?
 - o How do you handle collecting data from investment managers?
 - o Are you able to customize reporting packages without significant change to your current process?
96. Describe your process for accommodating ad hoc requests from investors. Please give specific



examples of ad hoc requests and your responses. What is the turnaround time and do clients have access to data?

97. How do you support clients with the preparation for and compliance with internal and external audit reviews as well as the development of annual financial statements and fiscal year end reporting?
98. Describe the timing for accounting and performance client deliverables.

Technology and Implementation

99. Is the PS fully integrated or are there separate modules/systems for:
 - Accounting
 - Valuation
 - Performance
 - General fee calculation
 - Incentive fee calculation
 - Others
100. Do you outsource or plan to outsource any technology or operational services? If yes, please list the services and describe the relationship, including timeline of relationship and any issues to date.
101. Please describe your document management system. Is it a third party or in-house developed system?
102. For each system that would be used to support Real Estate Administered Funds, please provide the following information:
 - Vendor or in-house system
 - For vendor systems, provide the name of the vendor, how long you have used the product, and how many years remain in the contact
 - For in-house systems, indicate whether the system is onsite or offsite; if offsite or via ASP.
 - Number of technology resources that support the system
 - Date of system implementation and major system upgrades or failures
 - Discussion or plans to exit any systems currently in use. Please discuss issues.
103. Describe the infrastructure security you have in place. Please cover all aspects of physical hardware and software.
104. Do you provide training on the systems or software used by your company?
105. Describe your self-service portal capabilities, including ad-hoc analysis, access to real time data, etc.
106. Do you provide any customized computer-based analytical tools to your clients?
107. How many new client on-boardings have you completed over the past 12 months? How many of these were for clients comparable in size to the presumed size of LACERA? What is the typical timeframe for on-boarding a client?
108. Is it typical to backload a funds' historical data for both investments and investors? If so, what is the typical amount of history that is loaded in? Is this part of the implementation process or a separate service?



109. How would you support LACERA in an exit strategy should we wish to convert portfolios off of your platform?

E. FEE PROPOSAL

110. Please submit a fee proposal for a service model based on the services outlined in the “Scope of Work”. Please present a fee quote using two methodologies: one fee quote using a "fixed fee" for all services requested, and one fee quote where the services are "separately priced". LACERA reserves the right to select either the "fixed fee" quote for all requested services, or the "separately priced" fee quote. Under the separately priced fee quote, LACERA may select one or more services to engage the service provider.
111. How do you charge fees?
- Upfront vs. Annual?
 - Method (e.g. based on invested capital, number of entities?)

F. SUPPLEMENTAL INFORMATION

Provide the following documentation in an Appendix or Binder. If your firm will not provide a requested item, explain why.

- Annual Report, and Auditor's Management Letter
- Audited financial statements for your fund administration business (at the lowest level possible) for the past three years.
 - Parent company/group consolidated; and/or
 - Administrator
- ADV's 1, 2a and 2b
- SOC1 (SSAE 16) and SOC2 or appropriate Internal Control examination document
- Dates of all SEC and other regulatory examinations in the last five years. Copies of deficiency letters, if any
- Disaster Recovery Policy and Business Resumption Plan
- Code of Ethics
- Valuation Policies
- An organizational chart showing interrelationships between the professional staff, proposed product team, as well as any parent-subsidiary, affiliate, or joint venture entities
- Biographies of the team responsible for S.P. (Name, Title, Responsibility, Total Years of Experience, Years with the Firm, Education/School, Other Designations)
- Describe the levels (dollar amounts) of coverage for SEC-required (17g-1) fidelity bonds, errors and omissions coverage and any other fiduciary coverage which your firm carries. List the insurance carriers supplying the coverage.

- Provide three sample research reports on special topics generated by your firm.
- Provide samples of all reports applicable to the SP (fund accounting, performance, etc.).
- Provide a diagram and description of your overall technology architecture and systems. This should include all applications, databases, messaging tools and interfaces that would be used to support all RE products. Also, highlight which systems and applications will be accessible by the client.
- Sample Service Level Agreement
- The attached Supplemental Manager Due Diligence regarding Diversity and Inclusion is voluntary.



LACERA Supplemental Manager Due Diligence Regarding Diversity and Inclusion Enhanced Due Diligence Questions

I. Policy

1. Describe your firm's approach to workplace diversity and inclusion and how it relates to your business model.
2. Does your firm have a written policy addressing workplace diversity and inclusion ("Policy")? A Policy defines the firm's commitment, policies, and practices regarding equal employment opportunity, including the recruitment, development, retention, and promotion of a diverse and inclusive workforce and non-discrimination based on gender, race, ethnicity, sexual orientation, age, veteran's status, and other legally protected categories. A Policy may be a standalone document or part of a larger firm document. Please provide a copy of your firm's Policy.
3. Does your Policy address sexual harassment in the workplace? If not, please explain.
4. If your firm does not have a written policy, do you commit to promptly adopting and providing a copy of such a Policy, if your firm is awarded an agreement to manage assets on behalf of LACERA?

II. Oversight

5. Who is responsible for overseeing the Policy's implementation? Please provide name and title. What processes are employed to implement and enforce the firm's Policy?
6. Who is responsible for overseeing compliance with the Policy? Please provide name and title. What processes are employed to promote compliance with the Policy?
7. Please describe the oversight and monitoring, if any, exercised by the firm's board and executive team regarding the firm's diversity and inclusion policy and efforts.
8. What data, trends, or analysis does the firm's board or oversight committee receive regarding the firm's effectiveness in adhering to the Policy and allegations of non-compliance?
9. Under what circumstances would an alleged incident of non-compliance with the Policy prompt notification to and consideration by the firm's board and/or executive committee?



III. Track Record

10. Please complete the charts in **Appendix A** regarding your firm's workplace composition by gender and race/ethnicity as defined by the Equal Employment Opportunity Commission categories for employees of your firm's U.S. operations. We also request completion of similar information for non-U.S. employees, absent any applicable legal or regulatory restrictions.
11. Does your firm commit to providing the firm's workforce composition in a format similar to **Appendix A** on a periodic basis, if the firm is awarded a contract to manage assets on behalf of LACERA?
12. Has your firm been subject to any judicial, regulatory, or another legal finding, formal action, or claims related to equal employment opportunity, workplace discrimination, or sexual harassment during the past twelve years? Please describe.
13. Please identify the number of confidential settlements and non-disclosure agreements related to workplace discrimination and/or sexual harassment entered into by your firm during the past twelve years. Please describe the nature of each settlement within the terms of the confidential settlement.

IV. Incentives and Risk Mitigation Strategies

14. Does your firm integrate diversity and inclusion into executives' performance reviews and incentive pay objectives? Please describe.
15. Does your firm conduct a compensation or pay disparity analysis to discern any pay disparities by gender, race, or ethnicity? Please describe or explain why not.
16. Does your firm have a clawback or recoupment policy in place by which workplace misconduct, such as sexual harassment, may trigger recoupment of incentive pay, awards, bonuses, or other compensation?
17. Please explain any other incentives or risk mitigation strategies your firm employs to promote compliance with your workplace diversity and inclusion and sexual harassment policies.
18. Describe any efforts, organizations, or leadership positions related to workplace diversity and inclusion in the financial services industry with which your firm is involved.



LACERA Supplemental Manager Due Diligence Regarding Diversity and Inclusion

Appendix A

General Instructions

The categories have the same definitions as the diversity categories used by the United States Equal Employment Commission (EEOC) in its Employer Report EEO-1. See www.eeoc.gov/employers/eo1survey/index.cfm for further information.

Please complete all columns by entering in the number of employees for each category (not percentage of employees). Blank cells will be interpreted as having a value of zero.

Job Categories:

- Board of directors, and CEO, CFO & COO: This row includes all members of the firm's governing board (or executive committee), as well as CEO, CFO, COO or equivalent positions.
- Investment professionals: All professionals who have a role in investment decision making at the firm, such as portfolio managers, analysts, and traders.
- If an employee is both a member of the board of directors or occupies the position of CEO, CFO or COO, as well as as serves as a member of the investment staff, the individual may be counted in both rows.

Total compensation figures should be provided for all investment professionals in each category reported in Row 2 as a percentage of total compensation of all investment professionals (not total personnel of the firm).

Your firm may elect to provide information on additional diversity categories. If you choose to do so, please provide such information on additional sheets.

TABLE 1

Firm wide for U.S. Operations:

	Hispanic or Latino			Non-Hispanic Or Latino												All								
	Total	M	F	Black or African American			Asian			Native Hawaiian or Other Pacific Islander			American Indian or Alaska Native						Two or More Races			White		
Job Categories				Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total	M	F
1 Board of Directors and CEO, CFO & COO																								
2 Investment Professionals																								
For Investment Professionals: Total																								
3 Compensation %, including Profit Sharing																								

TABLE 2

Employees in Non-U.S. Operations (optional)

	Hispanic or Latino			Non-Hispanic Or Latino												All								
	Total	M	F	Black or African American			Asian			Native Hawaiian or Other Pacific Islander			American Indian or Alaska Native						Two or More Races			White		
Job Categories				Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total	M	F
1 Investment Professionals																								
For Investment Professionals: Total																								
2 Compensation %, including Profit Sharing																								