

LACERA
Total Fund Risk System Search
Response to Written Questions

February 8, 2019

1. Whether companies from Outside USA can apply for this? (like from India or Canada)

LACERA Response: Yes, but the location of the support team and LACERA's data storage may serve as a factor during our evaluation process.

2. Whether we need to come over there for meetings?

LACERA Response: LACERA would anticipate that respondents to the RFP be available for on-site and other in-person meetings, both during the selection and evaluation process as well as regular meetings if selected.

3. Can we perform the tasks (related to RFP) outside USA? (like from India or Canada)

LACERA Response: Yes. For additional context, please refer to response #2.

4. Can we submit the proposals via email?

LACERA Response: As noted on page 3 of the RFP, LACERA requests that completed proposals be sent both via email and USB flash drive by 3:00PM, PST, Friday, March 1, 2019 to:

Mr. Jude Pérez
Principal Investment Officer
LACERA
300 North Lake Avenue, Suite 850
Pasadena, CA 91101
risksearch@lacera.com

5. As we prepare our RFP submission, we may seek to include information that would be deemed confidential and proprietary. Acknowledging the California Public Records Act, would it be possible to execute a mutual NDA between our organizations protecting both sides equally from disclosure of any confidential information?

LACERA Response: Yes, if reviewed and approved by LACERA's Legal Team.

6. Are you looking for a response for the full system, or may we propose our solutions related to: 4. Environmental, Social, and Governance ("ESG") Tools and Services – Data systems, ratings, analytical tools, coverage levels, research capacity?

LACERA Response: Firms that exclusively provide ESG data solutions, either broadly or on individual components of ESG, are encouraged to respond.

7. Relating to ESG, are you looking for a platform to log into or receipt of standardized reporting or simply an ESG data feed?

LACERA Response: LACERA is flexible in the approach it may receive ESG information, however, we require that any proposed data provider, at a minimum, offer quantitative measurement of ESG factors.

8. Questions pertaining to Section VI: Terms and Conditions, as well as Attachment B: Fees.
- a. How many direct users do you envision needing to regularly engage with the risk oversight solution? We classify a direct user as someone actively using our software to answer questions, build reports, or place trades?

LACERA Response: The number of direct users is contingent upon the nature and range of features of the final risk system that LACERA adopts. At present, LACERA anticipates a range between 5-15 direct users.

- b. Can you provide any additional information on what you envision to be the needs for your “lite” or “occasional” users listed in Section VI: Terms and Conditions, #5?

LACERA Response: LACERA may experience situations where a user may need only limited access to the system related to his/her assigned asset class.

9. Section II. Scope of Work: Description of Risk System Sought (page 4) – The last sentence of the first paragraph states, “The risk system should also have the ability to serve as an execution management system, at a later date, if the Board wishes to manage assets internally.” Is this a requirement in order to be selected as the Risk services provider?

LACERA Response: No, this is not a requirement, however, LACERA may favor systems that can easily adapt to LACERA’s investment processes.

10. Section X. Contract Terms and Conditions: Fiduciary Responsibility (page 10) – This sentence states “The Risk Manager(s) will acknowledge that it is a fiduciary under the contract and as a fiduciary shall perform its duties with the standard care, skill, prudence and diligence that apply to other reputable experts practicing in the same field.” Is acknowledgement that we will act as a Fiduciary a requirement in order to be selected as the Risk services provider?

LACERA Response: Yes, acknowledgement will be required to comply with applicable California law and LACERA’s Investment Policy Statement.

11. Section XII. Los Angeles County Employees Retirement Association Placement Agent Disclosure and SEC Compliance Form (pages 12-18): Part One: Use of Placement Agents – Since we are not an External Manager do we complete Part Two and Part Three, as these sections do not apply to us? Is the completion of this form required if we are not an External Manager?

LACERA Response: The completion of this form is not required in the case the provider is not an External Manager.

12. ATTACHMENT F CONTRACT FOR TOTAL FUND RISK ANALYSIS SOFTWARE: Section 17. SOC-2 (pages 9-10) – The first sentence states “SOC-2 Report. The Vendor shall have an annual audit performed by an independent audit firm.” We have a SOC-1 report provided by an independent audit firm. Would a SOC-1 report be acceptable for this contract as opposed to a SOC-2?

LACERA Response: There are alternatives, including a SOC-1 report, that may be acceptable. However, LACERA may favor those providers that also provide a SOC-2 report.

13. ATTACHMENT B Table 1 – For each asset class and sub-asset class listed here, could LACERA provide approximate number of accounts (or LPs)?

LACERA Response: Yes, at the appropriate time, LACERA can disclose the approximate number of accounts, including LPs.

14. Will LACERA entertain a systems integration firm to execute the selection phase and subsequent implementation phase with a commercial risk platform or product as a bidder for this RFP?

LACERA Response: LACERA will consider any provider that meets the Minimum Qualifications.