

# LIVE VIRTUAL COMMITTEE MEETING

\*The Committee meeting will be held following the Board of Retirement meeting scheduled prior.



TO VIEW VIA WEB



TO PROVIDE PUBLIC COMMENT

You may submit a request to speak during Public Comment or provide a written comment by emailing [PublicComment@lacera.com](mailto:PublicComment@lacera.com). If you would like to remain anonymous at the meeting without stating your name, please let us know.

**Attention:** Public comment requests must be submitted via email to [PublicComment@lacera.com](mailto:PublicComment@lacera.com).

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION  
300 N. LAKE AVENUE, SUITE 650, PASADENA, CA

## **AGENDA**

### **MEETING OF THE OPERATIONS OVERSIGHT COMMITTEE and BOARD OF RETIREMENT\***

#### **LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION**

**300 NORTH LAKE AVENUE, SUITE 810  
PASADENA, CA 91101**

**WEDNESDAY, JANUARY 5, 2022 - 9:00 A.M.\*\***

This meeting will be conducted by the Operations Oversight Committee by teleconference under California Government Code Section 54953(e).

Any person may view the meeting online at  
<http://lacera.com/leadership/board-meetings>

*The Committee may take action on any item on the agenda,  
and agenda items may be taken out of order.*

#### **COMMITTEE MEMBERS:**

Shawn R. Kehoe, Chair  
Herman B. Santos, Vice Chair  
Les Robbins  
Vivian H. Gray, Alternate

#### **I. APPROVAL OF THE MINUTES**

A. Approval of the minutes of the regular meeting of December 1, 2021

#### **II. PUBLIC COMMENT**

(Written Public Comment – You may submit written public comments by email to [PublicComment@lacera.com](mailto:PublicComment@lacera.com). Correspondence will be made part of the official record of the meeting. Please submit your written public comments or documentation as soon as possible and up to the close of the meeting.

Verbal Public Comment – You may also request to address the Committee at [PublicComment@lacera.com](mailto:PublicComment@lacera.com) before and during the meeting at any time up to the end of the Public Comment item. We will contact you with information and instructions as to how to access the meeting as a speaker. If you would like to remain anonymous at the meeting without stating your name, please let us know.)

### III. ACTION ITEMS

- A. Recommendation as submitted by James C. Beasley, Jr., Supervising Administrative Assistant II: That the Committee authorize staff to issue a Request for Proposal (RFP) for insurance broker services for LACERA's general and fiduciary liability insurance program. The brokerage services include insurance administration, loss control, and other related miscellaneous services to LACERA. (Memorandum dated December 10, 2021)
- B. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Committee recommend to the Board of Retirement the approval of the revised Administrative Appeals Procedures for Felony Forfeiture. (Memorandum dated December 27, 2021)

### IV. REPORTS

- A. LACERA Operations Briefing  
Luis A. Lugo, Deputy Chief Executive Officer  
JJ Popowich, Assistant Executive Officer  
Laura Guglielmo, Assistant Executive Officer

### V. ITEMS FOR STAFF REVIEW

### VI. GOOD OF THE ORDER

(For information purposes only)

### VII. ADJOURNMENT

**\*The Board of Retirement has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Retirement (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Retirement. Members of the Board of Retirement who are not members of the Committee may attend and participate in a meeting of a Board Committee but may not vote on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at a subsequent meeting of the Board.**

**\*\*Although the meeting is scheduled for 9:00 a.m., it can start anytime thereafter, depending on the length of the Board of Retirement meeting preceding it. Please be on call.**

**Any documents subject to public disclosure that relate to an agenda item for an open session of the Committee, that are distributed to members of the Committee less than 72 hours prior to the meeting, will be available for public inspection at the time they are distributed to a majority of the Committee, at LACERA's offices at 300 North Lake Avenue, Suite 820, Pasadena, California during normal business hours from 9:00 a.m. to 5:00 p.m. Monday through Friday.**

***Requests for reasonable modification or accommodation of the telephone public access and Public Comments procedures stated in this agenda from individuals with disabilities, consistent with the Americans with Disabilities Act of 1990, may call the Board Offices at (626) 564-6000, Ext. 4401/4402 from 8:30 a.m. to 5:00 p.m. Monday through Friday or email [PublicComment@lacera.com](mailto:PublicComment@lacera.com), but no later than 48 hours prior to the time the meeting is to commence.***

MINUTES OF THE MEETING OF THE  
OPERATIONS OVERSIGHT COMMITTEE  
and  
BOARD OF RETIREMENT\*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

GATEWAY PLAZA - 300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

WEDNESDAY, DECEMBER 1, 2021, 11:56 A.M. – 12:33 P.M.

This meeting was conducted by the Operations Oversight Committee by teleconference under the Governor's Executive Order No. N-29-20.

**COMMITTEE MEMBERS**

PRESENT: Shawn R. Kehoe, Chair  
Herman B. Santos, Vice Chair  
Ronald A. Okum  
Les Robbins  
Vivian H. Gray, Alternate

**ALSO ATTENDING:**

BOARD MEMBERS AT LARGE

Alan Bernstein  
JP Harris  
Keith Knox  
Wayne Moore  
William Pryor

STAFF, ADVISORS, PARTICIPANTS

Santos H. Kreimann, Chief Executive Officer  
Luis Lugo, Deputy Chief Executive Officer  
JJ Popowich, Assistant Executive Officer  
Laura Guglielmo, Assistant Executive Officer  
Steven Rice, Chief Counsel  
Bernie Buenaflor, Chief, Quality Assurance and Metrics  
Ted Granger, Interim Chief Financial Officer  
Cassandra Smith, Director, Retiree Healthcare  
Michael Huang, Financial and Accounting Services  
Ervin Wu, Financial and Accounting Services

The meeting was called to order by Chair Kehoe at 11:56 a.m.

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of November 3, 2021

Mr. Robbins made a motion, Mr. Okum seconded, to approve the minutes of the regular meeting of November 3, 2021. The motion passed unanimously.

II. PUBLIC COMMENT

III. REPORTS

A. LACERA Operations Briefing

Luis Lugo, Deputy Chief Executive Officer

JJ Popowich, Assistant Executive Officers

Laura Guglielmo, Assistant Executive Officer

Ms. Guglielmo, Messrs. Lugo and Popowich presented the monthly briefing sharing insights on staff and divisional activities within LACERA's Operations and Administration components, including the status of the Strategic Plan Goals and Operations Improvement Initiatives, progress on the "100-Day Management Report," and an update on other projects.

- Public Records Request Update
- Report of Felony Forfeiture Cases Processed

B. Fiscal Year 2020-2021 Financial Review

Ted Granger, Interim Chief Financial Officer

Ted Granger, Michael Huang, and Ervin Wu presented LACERA's financial statement highlights for the fiscal year ending June 30, 2021, which included:

- Pension plan Fiduciary Net Position Restricted for Benefits ended above the prior fiscal year, increasing from \$58.5 billion to \$73.0 billion
- Total pension plan investment return was 25.2% net of fees, compared to actuarial expected return assumption of 7.0%
- OPEB trust Fiduciary Net Position Restricted for Benefits increased to \$2.3 billion compared to \$1.5 billion the prior fiscal year
- Total OPEB trust investment return was 28.4% net of fees, compared to actuarial expected return assumption of 6.0%

III. REPORTS (Continued)

C. Annual QA Audit Report

Bernie Buenaflor, Chief, Quality Assurance and Metrics Division

Mr. Buenaflor gave a presentation of the Quality Audit Report, discussing the following:

- Organizational Structure
- Audit Results FY 2020-2021
- Setbacks
- Achievements
- QA's Future Initiatives

D. Privacy Incident: Personally Identifiable Information

Cassandra Smith, Director, Retiree Healthcare

(Memo Exempt from Public Disclosure

California Public Records Act, Cal. Gov't Code § 6254(c), (k)

Brown Act, Cal. Gov't Code § 54957.5(a))

Ms. Smith was present to answer questions from the Committee.

E. Privacy Incident: Personally Identifiable Information

JJ Popowich, Assistant Executive Officer

(Memo Exempt from Public Disclosure

California Public Records Act, Cal. Gov't Code § 6254(c), (k)

Brown Act, Cal. Gov't Code § 54957.5(a))

Mr. Popowich was present to answer questions from the Committee.

IV. ITEMS FOR STAFF REVIEW

There was nothing to report

V. GOOD OF THE ORDER

(For information purposes only)


VI. ADJOURNMENT

The meeting adjourned at 12:33 p.m.

**\*The Board of Retirement has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Retirement (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Retirement. Members of the Board of Retirement who are not members of the Committee may attend and participate in a meeting of a Board Committee but may not vote on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at a subsequent meeting of the Board.**

December 10, 2021

TO: Operations Oversight Committee  
Shawn R. Kehoe, Chair  
Herman B. Santos, Vice Chair  
Les Robbins  
Vivian H. Gray, Alternate

FROM: James C. Beasley Jr.   
Supervising Administrative Assistant II

FOR: January 5, 2022, Operations Oversight Committee Meeting

SUBJECT: Request for Proposal: Insurance Broker Services for LACERA's General and Fiduciary Liability Insurance Program

## **RECOMMENDATION**

That the Operations Oversight Committee authorize staff to issue a Request for Proposal (RFP) for insurance broker services for LACERA's general and fiduciary liability insurance program. The brokerage services include insurance administration, loss control, and other related miscellaneous services to LACERA.

## **SUMMARY**

Since June 2002, LACERA has contracted with insurance brokers to provide services to research appropriate insurance plans, measure each policy plan against organizational risks, conduct competitive bidding processes, and provide recommendations on packages for LACERA to consider. In addition, the brokers also provided LACERA with risk assessments, insurance consulting services, insurance-related regulatory and legislative updates, and claims assistance services.

LACERA has contracted with its current insurance broker, Kaercher Campbell and Associates, now Seeman Holtz since June 2002, and has been satisfied with their services. The agreement has been on a month-to-month since September 9, 2021, in order to complete the October 2021 renewal period. Month-to-month evergreen contracts are not a best practice. The next set of policies is due to expire on June 30, 2022, requiring the broker to begin canvassing the marketplace 60 to 90 days beforehand. For these reasons staff recommends we issue an RFP in January to seek a qualified bidder to provide our insurance brokerage, insurance administration, loss control and related services. The proposed RFP is for the liability insurance program,



both general and fiduciary, and the respondents shall demonstrate their capability to adequately meet the demands of LACERA with respect to the requirements of this RFP.

LACERA's insurance program consists of multiple insurance policies which provide layers of coverage to protect the organization's Trust Funds against potential losses and/or claims. LACERA's insurance line of coverage is as follows:

<b>LACERA Line of Coverage</b>		
<i>Business Property</i>	<i>Fiduciary Liability</i>	<i>Employment Practices Liability</i>
<i>General Liability</i>	<i>Excess Fiduciary Liability</i>	<i>Terrorism Liability</i>
<i>Employee Benefits</i>	<i>Fiduciary Liability (OPEB)</i>	<i>Excess Umbrella</i>
<i>Commercial Auto</i>	<i>Crime</i>	<i>Difference-in-Condition</i>
<i>Foreign Package</i>	<i>Cyber Liability</i>	<i>Travel Insurance</i>
<i>Primary Umbrella</i>	<i>Excess Cyber Liability</i>	

## **INSURANCE BROKERAGE REQUIREMENTS**

LACERA seeks an insurance brokerage firm to conduct the following services:

### **Brokerage Services**

1. Act as an independent insurance advisor to LACERA and proactively provide ongoing unbiased professional advice and recommendations that benefit LACERA.
2. Proactively provide ongoing review and analysis of LACERA's insurance programs and identification of risk and recommendations to risk mitigation strategies.
3. Be familiar with:
  - a. All LACERA's lines of insurance and the coverages provided by all relevant insurance policies; and
  - b. General exposures to LACERA.
4. Assure that insurance policies are placed in a timely manner, without lapses in coverage periods, with reputable and financially responsible insurers.
5. Service insurance policies placed for LACERA, including processing all changes and endorsements and verifying the accuracy of invoices within 14-days of issuance from the insurance carriers.

6. Provide early warning of potential rate and coverage changes or renewal problems. Promptly advise LACERA of any changes in exposure during the policy year that would require revisions to existing insurance coverages. Upon the request of LACERA, but at least once a year, provide a comprehensive report that reviews all LACERA's insurance programs serviced by the Broker.
7. Continually monitor LACERA's operations and loss exposures and make any appropriate recommendations for coverage changes or new coverages.
8. Be available to answer questions or obtain answers from underwriters for policy coverage questions, meet with LACERA staff, the Executive Office, and Boards and other Committees when requested.
9. Provide consultation services and written reports as normally expected of a professional Broker to a similar size and nature of a government client such as LACERA.
10. Provide loss control consultation services and assistance with claims as requested by LACERA. Assist in analyzing loss exposures from existing or any new operations, and determine the appropriate risk management alternatives, including types, availability, cost, and the extent of coverages that should be considered.

### **Design, Marketing, and Implementation**

Develop policies and coverages to protect LACERA and, when necessary, its consultants, contractors, and subcontractors. Perform all necessary marketing services including, but not limited to, the following:

1. Monitor expiration dates of policies and provide LACERA with written notification at least 180 days prior to expiration, including a description of information needed to process the renewal.
2. Develop and implement a marketing strategy, including identifying potential markets for program renewals at least 180 days before policy expiration.
3. Develop underwriting information and assist in gathering and organizing exposure and loss data for renewals of policies placed.
4. Work with carriers to design policies and programs most advantageous to LACERA for coverage of exposures, policy form, exclusions, deductibles, self-

insured retentions, coordination with other policies, costs, and other pertinent factors.

5. Market renewal coverages for LACERA by obtaining timely and competitive quotations from at least three (3) available and responsible insurers.
6. Provide quotation proposal to LACERA at least ninety (90) days prior to an insurance policy expiration unless otherwise approved by LACERA.
7. When more than one market is approached for a line of coverage, provide LACERA with copies of declination letters and all premium quotations received with a summary of coverages explaining deficiencies and/or benefits of the quote compared to the recommended insurance program.
8. Provide quotations for specialized types of insurance, as requested by LACERA.
9. Place, cancel, and otherwise handle all placements, binders, policies, and endorsements.
10. Review policies upon receipt to verify conformance to the specifications and negotiations and request and monitor required changes.

## **Policy Review**

Review policies and other documents in detail within 14-days of receipt of the documents to check the wording and accuracy of each policy, binder, certificate, endorsement, or other document received from insurers to ensure that the intended coverage is provided. Ensure that all coverage, terms and conditions, and other wording is complete and accurate, and in compliance with financial arrangements and administrative procedures acceptable to LACERA.

1. Obtain revisions needed to achieve compliance with coverage request.
2. Provide a timeline for issuance of policy forms prior to issuance of premium.
3. Advise in writing of any changes to insurance policy/policies within 14-days of issuance from the insurance carriers.
4. Send electronic policies to LACERA within 14-days of issuance from the insurance carriers.

The document for insurance Brokerage services shall recommend, among other things, the structure of the insurance and self-insurance, appropriate coverages, limits, and deductibles to be carried. Each insurer must have and maintain an A.M. Best's rating of not less than A-, X, unless otherwise approved by LACERA. The proposer shall provide recommendations for cost, deductible options, coverage limits, and coverage enhancements, among other items, for the following, which is limited to LACERA unless stated otherwise.

### **Manual Preparation and Revision for Coverage in Place**

Prepare and revise for the approval of LACERA all information necessary to assure the proper functioning of LACERA's insurance program, including but not limited to:

1. Information as to the scope and limits of insurance policies for LACERA.
2. Details on claims and loss procedures.
3. Define the responsibilities of all parties participating in the program.

### **Policy Administration and Maintenance**

1. Review and approve all premium audit statements and invoices, including verification of all premiums and provide notices of changes in premiums or terms and conditions, cancellation, and all communications from insurers.
2. Review and process riders, exceptions, and other changes to insurance policies, including, without limitation, explanation, and recommendations to LACERA.
3. Issue required certificates of insurance to all insured parties and as requested by LACERA.
4. Provide advice to LACERA including, without limitation, assistance in connection with litigation or other proceedings for the settlement of disputes as it pertains to insurance coverage(s).
5. Assist in administering the insurance program by reviewing the adequacy and limits of insurance coverages. Maintain and update insurance policies, risk management information and provide insurance administrative services as needed, including but not limited to policy placement, certificate issuance, claims processing and premium administration.

## **Risk Management Program**

1. Policy reviews: assist LACERA in the review and development of provisions in contractual agreements relative to LACERA's activities.
2. Contract Reviews: assist LACERA in the review and development of provisions in contractual agreements relative to insurance, liability, and risk allocation.
3. Loss exposures: periodically review and identify changes in loss exposure.
4. Loss Prevention: assist LACERA in developing, administering, and monitoring a loss prevention program.
5. Claims Management:
  - a) Assist staff, as necessary, with filing claims.
  - b) Promptly notify LACERA of any losses or accidents reported to the Broker.
  - c) Assist LACERA with the review of claim reserves, including self-insured reserves if any, and represent LACERA to the insurer regarding requested explanation or reduction of reserve amounts.
  - d) For all lines of insurance where loss runs are not otherwise available, provide regular loss runs and summary information.
  - e) Review loss runs for claims on all coverages. Evaluate loss history for trends or other indicators that might dictate changes in coverage strategy. Identify any relevant issues and advise LACERA in writing.
  - f) Maintain information to gather, record, and report data relating to claims and all related costs, claims, and settlements. Prepare such reports, explanatory booklets, studies, plans, manuals, policies, rate determinations and analyses as may be necessary or requested by LACERA in connection with its insurance, risk management and safety and loss prevention program, or other ancillary programs.

## **Stewardship**

Provide LACERA with a written annual service summary for the policy year to include:

1. A schedule of coverage showing the nature of coverage, limits, deductibles, insurer, policy number, premium and other relevant information.

2. Summary of team servicing the account.
3. Anticipated renewal terms and conditions and other indications of market conditions, trends, and anticipated changes.
4. Identified problem areas such as claim handling, safety hazards, insurer financial problems, etc.
5. Recommendations for improved program design.
6. Services performed for the current year and planned for the next year.
7. Accounting of all income received on the account, whether direct or indirect.

### **Other Requirements**

1. Attendance at meetings at the request of LACERA is expected. Selected staff of the Administrative Services Division administers the insurance program; however, interaction with LACERA's Boards or other Executive Management and general staff will be expected.
2. The selected proposer(s) shall designate an account manager who shall have overall responsibility for the supervision of the Broker's performance of this program. The account manager shall give prompt attention and regard to the instructions, directions, and requests of LACERA.
3. All reports, calculations, estimates and other documents, data or information prepared by the proposer(s) shall remain the property of LACERA and the proposer(s) shall not have the right to use, duplicate or disclose such data or materials without the prior approval of LACERA.

### **LACERA's Quality Assurance Plan**

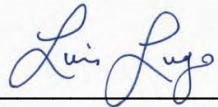
LACERA will evaluate the Broker's performance on no less than an annual basis. Any Broker deficiencies as determined by LACERA to be severe or continuing, or that may jeopardize LACERA in any manner, may be reported to the Chief Executive Officer and the Board of Retirement. The Broker will be advised should appropriate corrective action be taken.

## PROPOSED RFP TIMELINE

Event Description	Date
RFP release date	1/5/2022
Intent to Respond closing date	1/12/2022
Written questions from Respondents due date	1/14/2022
Responses to written questions are posted	1/19/2022
Proposal due date	2/4/2022
Finalist Presentations (start date)	2/17/2022
Selection Notification	3/2/2022
Execute Contract	Upon contract execution

**CONCLUSION** LACERA has an ongoing need for insurance brokerage services. Since the current contract is month-to-month and the broker must canvas the market 60 to 90 days prior to the policy renewals on June 30, 2022, it is recommended that the Operations Oversight Committee authorize staff to issue a Request for Proposal for insurance broker services for LACERA's general and fiduciary liability insurance program. The brokerage services include insurance administration, loss control, and other related miscellaneous services to LACERA.

Noted and Approved:



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Luis Lugo, Deputy Chief Executive Officer

December 6, 2021



## REQUEST FOR PROPOSAL

Insurance Broker Services for LACERA's  
General and Fiduciary Liability Insurance  
Program

James Beasley  
Supervising Administrative Assistant II  
300 NORTH LAKE AVENUE, SUITE 650  
PASADENA, CA 91101  
(626) 564-6000  
Jbeasley@lacera.com



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**LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION  
REQUEST FOR PROPOSAL (RFP)  
INSURANCE BROKERAGE SERVICES  
DECEMBER 9, 2021**

**1. INTRODUCTION**

**1.1. Purpose of Request**

The Los Angeles County Employees Retirement Association (LACERA), a \$70 billion public pension fund, is seeking proposals from qualified firms to provide insurance brokerage services for LACERA. LACERA invites qualified firms to respond to this RFP (Respondent).

**1.2. Background Information**

LACERA is a tax-qualified defined benefit public pension fund established to administer retirement, disability, and death benefits for the employees of the County of Los Angeles and other participating agencies pursuant to the County Employees Retirement Law of 1937 (CERL) (California Government Code Section 31450, et seq.), the California Public Employees' Pension Reform Act of 2013 (PEPRA) (California Government Code Section 7522, et seq.), LACERA's Bylaws and Board Policies, and other applicable California law. LACERA also administers the County's medical and dental retiree health benefits program.

LACERA operates as an independent governmental entity separate and distinct from Los Angeles County and the other participating agencies. LACERA has approximately 186,300 members, including 100,000 active members and 60,200 retired members. About 60,200 retired members and survivors take part in the medical and dental retiree healthcare programs. In addition to benefits administration, the fund invests in assets to support payment of the promised pension benefits as well as additional sums to support the retiree healthcare program.

The Respondent(s) selected through this RFP process may be recommended to LACERA's Board of Retirement (BOR). The BOR has responsibility over administration of pension and healthcare benefits and other fund administrative issues. The BOR comprises four Trustees elected by the general, safety, and retired members, four Trustees appointed by the County's Board of Supervisors, and the sitting County Treasurer and Tax Collector as an ex officio Trustee. The BOR also has two alternate Trustees, one elected by safety members, and one elected by retired members.

The Boards and their trustees have fiduciary duties as defined in Article XVI, Section 17 of the California Constitution and CERL, with duties owed to the plan members and their beneficiaries taking precedence over any other duties.

LACERA is inviting vendors to submit proposals to provide services that will include, but not be limited to insurance Brokerage, insurance administration, loss control, and other related miscellaneous services to LACERA. This RFP is for the liability insurance program, both general and fiduciary, and the respondent shall demonstrate its capability to adequately meet the demands of LACERA with respect to the requirements of this RFP. At its discretion, LACERA may contract with one or more Brokers who will perform and supply all the services requested pursuant to this RFP.

## **2. SCOPE OF SERVICES**

### **2.1. Insurance Brokerage**

The successful proposer(s) shall provide insurance Brokerage, insurance administration, loss control and other miscellaneous services to LACERA.

2.1.1. Act as an independent insurance advisor to LACERA and proactively provide ongoing unbiased professional advice and recommendations that benefit LACERA.

2.1.2. Proactively provide ongoing review and analysis of LACERA's insurance programs and identification of risk and recommendations to risk mitigation strategies.

2.1.3. Be familiar with:

- a. All LACERA's lines of insurance and the coverages provided by all relevant insurance policies
- b. General exposures to LACERA

2.1.4. Assure that insurance policies are placed in a timely manner, without lapses in coverage periods, with reputable and financially responsible insurers.

2.1.5. Service insurance policies placed for LACERA, including processing all changes and endorsements and verifying the accuracy of invoices within 14-days of issuance from the insurance carriers.

2.1.6. Provide early warning of potential rate and coverage changes or renewal problems. Promptly advise LACERA of any changes in exposure during the policy year that would require revisions to existing insurance coverages. Upon the request of LACERA, but at least once a year, provide a comprehensive report that reviews all LACERA's insurance programs serviced by the Broker.

2.1.7. Continually monitor LACERA's operations and loss exposures and make any appropriate recommendations for coverage changes or new coverages.

2.1.8. Be available to answer questions or obtain answers from underwriters for policy coverage questions, meet with LACERA staff, the Executive Office, and Boards and other Committees when requested.

2.1.9. Provide consultation services and written reports as normally expected of a professional Broker to a similar size and nature of a government client such as LACERA.

2.1.10. Provide loss control consultation services and assistance with claims as requested by LACERA. Assist in analyzing loss exposures from existing or any new operations, and determine the appropriate risk management alternatives, including types, availability, cost, and the extent of coverages that should be considered.

## **2.2. Design, Marketing, and Implementation**

Develop policies and coverages to protect LACERA and, when necessary, its consultants, contractors, and subcontractors. Perform all necessary marketing services including, but not limited to, the following:

2.2.1. Monitor expiration dates of policies and provide LACERA with written notification at least 180 days prior to expiration, including a description of information needed to process the renewal.

2.2.2. Develop and implement a marketing strategy, including identifying potential markets for program renewals at least 180 days before policy expiration.

2.2.3. Develop underwriting information and assist in gathering and organizing exposure and loss data for renewals of policies placed.

2.2.4. Work with carriers to design policies and programs most advantageous to LACERA for coverage of exposures, policy form, exclusions, deductibles, self-insured retentions, coordination with other policies, costs, and other pertinent factors.

2.2.5. Market renewal coverages for LACERA by obtaining timely and competitive quotations from at least three (3) available and responsible insurers.

2.2.6. Provide quotation proposal to LACERA at least ninety (90) days prior to an insurance policy expiration unless otherwise approved by LACERA.

2.2.7. When more than one market is approached for a line of coverage, provide LACERA with copies of declination letters and all premium quotations received with a

summary of coverages explaining deficiencies and/or benefits of the quote compared to the recommended insurance program.

2.2.8. Provide quotations for specialized types of insurance, as requested by LACERA.

2.2.9. Place, cancel, and otherwise handle all placements, binders, policies, and endorsements.

2.2.10. Review policies upon receipt to verify conformance to the specifications and negotiations and request and monitor required changes.

### **2.3. Policy Review**

Review policies and other documents in detail within 14 days of receipt of the documents to check the wording and accuracy of each policy, binder, certificate, endorsement, or other document received from insurers to ensure that the intended coverage is provided. Ensure that all coverage, terms and conditions, and other wording is complete and accurate, and in compliance with financial arrangements and administrative procedures acceptable to LACERA.

2.3.1. Obtain revisions needed to achieve compliance with coverage request.

2.3.2. Provide a timeline for issuance of policy forms prior to issuance of premium.

2.3.3. Advise in writing of any changes to insurance policy/policies within 14-days of issuance from the insurance carriers.

2.3.4. Send electronic policies to LACERA within 14-days of issuance from the insurance carriers.

The document for insurance Brokerage services shall recommend, among other things, the structure of the insurance and self-insurance, appropriate coverages, limits, and deductibles to be carried. Each insurer must have and maintain an A.M. Best's rating of **not** less than A-, X, unless otherwise approved by LACERA. The proposer shall provide recommendations for cost, deductible options, coverage limits, and coverage enhancements, among other items, for the following, which is limited to LACERA unless stated otherwise.

### **2.4. Manual Preparation and Revision for Coverage in Place**

Prepare and revise for the approval of LACERA all information necessary to assure the proper functioning of LACERA's insurance program, including but not limited to:

2.4.1. Information as to the scope and limits of insurance policies for LACERA.

2.4.2. Details on claims and loss procedures.

2.4.3. Define the responsibilities of all parties participating in the program.

## **2.5. Policy Administration and Maintenance**

2.5.1. Review and approve all premium audit statements and invoices, including verification of all premiums and provide notices of changes in premiums or terms and conditions, cancellation, and all communications from insurers.

2.5.2. Review and process riders, exceptions, and other changes to insurance policies, including, without limitation, explanation, and recommendations to LACERA.

2.5.3. Issue required certificates of insurance to all insured parties and as requested by LACERA.

2.5.4. Provide advice to LACERA including, without limitation, assistance in connection with litigation or other proceedings for the settlement of disputes as it pertains to insurance coverage(s).

2.5.5. Assist in administering the insurance program by reviewing the adequacy and limits of insurance coverages. Maintain and update insurance policies, risk management information and provide insurance administrative services as needed, including but not limited to policy placement, certificate issuance, claims processing and premium administration.

## **2.6. Risk Management Program**

2.6.1. Policy reviews: assist LACERA in the review and development of provisions in contractual agreements relative to LACERA's activities.

2.6.2. Contract Reviews: assist LACERA in the review and development of provisions in contractual agreements relative to insurance, liability, and risk allocation.

2.6.3. Loss exposures: periodically review and identify changes in loss exposure.

2.6.4. Loss Prevention: assist LACERA in developing, administering, and monitoring a loss prevention program.

#### 2.6.5. Claims Management:

- 2.6.5.1. Assist staff, as necessary, with filing claims.
- 2.6.5.2. Promptly notify LACERA of any losses or accidents reported to the Broker.
- 2.6.5.3. Assist LACERA with the review of claim reserves, including self-insured reserves if any, and represent LACERA to the insurer regarding requested explanation or reduction of reserve amounts.
- 2.6.5.4. For all lines of insurance where loss runs are not otherwise available, provide regular loss runs and summary information.
- 2.6.5.5. Review loss runs for claims on all coverages. Evaluate loss history for trends or other indicators that might dictate changes in coverage strategy. Identify any relevant issues and advise LACERA in writing.
- 2.6.5.6. Maintain information to gather, record, and report data relating to claims and all related costs, claims, and settlements. Prepare such reports, explanatory booklets, studies, plans, manuals, policies, rate determinations and analyses as may be necessary or requested by LACERA in connection with its insurance, risk management and safety and loss prevention program, or other ancillary programs.

#### 2.7. Stewardship

Provide LACERA with a written annual service summary for the policy year to include:

- 2.7.1. A schedule of coverage showing the nature of coverage, limits, deductibles, insurer, policy number, premium and other relevant information.
- 2.7.2. Summary of team servicing the account.
- 2.7.3. Anticipated renewal terms and conditions and other indications of market conditions, trends, and anticipated changes.
- 2.7.4. Identified problem areas such as claim handling, safety hazards, insurer financial problems, etc.
- 2.7.5. Recommendations for improved program design.
- 2.7.6. Services performed for the current year and planned for the next year.

2.7.7. Accounting of all income received on the account, whether direct or indirect.

## **2.8. Other Requirements**

2.8.1. Attendance at meetings at the request of LACERA is expected. Selected staff of the Administrative Services Division administers the insurance program; however, interaction with LACERA's Boards or other Executive Management and general staff will be expected.

2.8.2. The selected proposer(s) shall designate an account manager who shall have overall responsibility for the supervision of the Broker's performance of this program. The account manager shall give prompt attention and regard to the instructions, directions, and requests of LACERA.

2.8.3. All reports, calculations, estimates and other documents, data or information prepared by the proposer(s) shall remain the property of LACERA and the proposer(s) shall not have the right to use, duplicate or disclose such data or materials without the prior approval of LACERA.

## **2.9. LACERA's Quality Assurance Plan**

LACERA will evaluate the Broker's performance on no less than an annual basis. Any Broker deficiencies as determined by LACERA to be severe or continuing, or that may jeopardize LACERA in any manner, may be reported to the Chief Executive Officer and the Board of Retirement. The Broker will be advised should appropriate corrective action be taken.

## **3. MINIMUM QUALIFICATIONS**

All respondents must clearly show and document in the proposal the following minimum qualifications:

3.1. Current insurance Broker license issued by the California Department of Insurance, to be provided with this response.

3.2. At least ten (10) years of experience with commercial insurance policies.

3.3. At least ten (10) years of experience working with governmental entities.

3.4. Must have experience procuring insurance and providing insurance consulting services for medium to large defined public and/or private pension plan clients with at least \$5 billion in assets under management.



3.5. No prior history of corrective action with the California Department of Insurance.

#### **4. INSTRUCTIONS TO RESPONDENTS**

##### **4.1. RFP Important Dates**

The following table provides a tentative schedule of important dates and deadlines for this RFP. All dates are subject to modification by LACERA without notice.

Event Description	Date
Release of RFP	1/5/2022
Written questions and additional clarification are due	1/14/2022
Responses to written questions are posted	1/19/2022
Proposals due	2/4/2022
Broker Presentations (start date)	2/17/2022
Broker selection and notification	3/2/2022
Commencement of work	Upon contract execution

##### **4.2. Response Requirements and Formatting**

4.2.1. Respondents to this RFP must submit the following for delivery no later than **5:00 PM PDT** on 2/4/2022 to the Project Manager specified in Section 4.3. below.

4.2.2. ONE **unbound** and SIX **bound** copies of the written response to this RFP in hard copy form to:

James Beasley  
LACERA  
300 North Lake Avenue, Suite 650  
Pasadena, CA 91101  
jbeasley@lacera.com

Send an electronic copy in PDF or Microsoft Word format via email. If the file is too large to email, it may be submitted on a USB flash drive).

If Respondent requires any confidential information to be exempt from public disclosure, then submissions should also include one **unbound** copy, and one **electronic copy**, each marked "**REDACTED**". The redacted copies should redact all material from

the proposal that the respondent believes in good faith is exempt from disclosure under the California Public Records Act, (California Government Code section 6250 et seq. the "Act"). Individual redactions should appear as blacked out material. Large sections, tables, or entire blank page(s) shall include the word "REDACTED" or "PROPRIETARY" inserted. Each respondent must indicate the basis for each redaction under the Act (defined below) with a citation to the code section and subsection relied upon. LACERA cannot guarantee that redacted information will not be publicly available. Please see the **Section 5** below "*Notice to Respondents Regarding the Public Records Act AND RALPH M. BROWN ACT*" for further information. An electronic copy of both the original and the redacted response in PDF format saved on separate DVDs, each labeled accordingly.

4.2.3. Submittals shall be double sided with text in at least 10-point font, but no larger than 12-point font limited to 30 pages, including Exhibits. Submittals shall address all RFP sections in the same order presented and be responsive to each section.

All responses to this RFP should follow the outline of the RFP requirements and should fully respond to each section as appropriate and to all questions in Exhibit C and should contain at a minimum:

4.2.3.1. Cover Letter. A cover letter (1 page) shall be signed by the individual(s) who is (are) authorized to bind the respondent contractually. The letter shall contain a statement to the effect that the respondent is not currently under investigation by any regulatory agency, state or federal, for any reason. The letter should identify your firm's competitive advantage, the specific team that will be working on the LACERA account, and the reasons why the firm should be selected.

4.2.3.2. Minimum Qualifications Certification. You must certify, by completing and signing EXHIBIT B, that your firm meets the minimum qualifications required.

4.2.3.3. Table of Contents. The response must contain a Table of Contents that identifies the major sub-sections of the Questionnaire.

4.2.3.4. Questionnaire. Provide your response to the enclosed Questionnaire (Exhibit C). Excluding the requested Exhibits and Attachments, your response must not exceed 30 pages. Responses shall be in the prescribed format.

4.2.3.5. Attachments. Optional material such as brochures or company information may be included as an attachment but will not be counted as responsive to this RFP and will not be used in scoring.

4.2.4. All proposals made in response to this RFP must remain open and in effect for a period of not less than 180 days after the submission deadline. Responses to this RFP may be changed or withdrawn in writing if modifications are received prior to the submission deadline. Modification to or withdrawal of a proposal received after the submission deadline will not be considered. Responses received after the specified deadline may be considered for evaluation solely at the discretion of LACERA. In addition, LACERA reserves the right to request more information or clarifications from respondents, or to allow corrections of errors or omissions.

4.2.5. Proposals not following these instructions or not including complete information as requested may result in a lower evaluation score or the proposal being declared non-responsive. For each part of the response, restate the RFP item immediately above the response. Pages in the proposal shall be numbered. When asked, please provide details and state all qualifications or exceptions. All information supplied should be concise and relevant to qualifications.

#### 4.3. Contacts with LACERA Personnel

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

James Beasley  
Supervising Administrative Assistant II  
LACERA

Gateway Plaza  
300 North Lake Avenue, Suite  
650  
Pasadena, CA 91101-4199

Email: [jbeasley@lacera.com](mailto:jbeasley@lacera.com)  
Phone: 626-564-6000 ext. 3529

#### 4.4. Quiet Period

To ensure that prospective Respondents to this RFP have equal access to information about the RFP and communications related to the RFP 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 RFP until the selection of one or more respondents is completed and announced.

This RFP and other relevant information related to the RFP, including addenda, modifications, answers to questions, and other updates, will be available to the public at

lacera.com. Each respondent to this RFP will be subject to the same terms and conditions and will receive the same information.

During the quiet period, respondents are not allowed to communicate with any LACERA staff member or Board member regarding this RFP except through the point of contact named herein. Respondents violating the quiet period may be disqualified at LACERA's discretion.

Respondents who have existing relationships with LACERA must limit their communications between LACERA staff and Board members to the subject of the existing services provided by them.

#### 4.5. Questions relating to this RFP

All questions, inquiries, and requests for additional information concerning this RFP should be received no later than 5:00 PM PDT, 1/14/2022, and should be emailed to [jbeasley@lacera.com](mailto:jbeasley@lacera.com). All questions received and responses thereto will be posted on LACERA's website ([www.lacera.com](http://www.lacera.com)) under the "Business Opportunities" section that relates to this RFP (<https://www.lacera.com/who-we-are/business-opportunities>) on or about 5:00 PM PDT, 1/19/2022.

#### 4.6. RFP Scoring and Selection Criteria]

RFPs will be scored according to Exhibit F, *Selection Criteria*. LACERA staff may select Respondents based upon the selection criteria or using a combination of onsite interviews and reference verification.

The highest scoring Respondents may be invited to an interview by LACERA's Board(s). At LACERA's discretion, selected Respondents may be offered the opportunity to present their materials to the Board(s).

#### 4.7. Intent to Respond

If your firm chooses to respond to this RFP, please send the Intent to Respond, Exhibit E, via email to James Beasley, by 5:00 p.m. PDT, 1/12/2022. Failure to send your Intent to Respond may disqualify your firm from submitting a response to this RFP.

### **5. NOTICE TO RESPONDENTS REGARDING THE PUBLIC RECORDS ACT AND THE RALPH M. BROWN ACT**

The information submitted in response to this RFP will be subject to public disclosure pursuant to the California Public Records Act (California Government Code Section 6250, et. seq., the "Act"). The Act provides generally that all records relating to a public agency's business are open to public inspection and copying unless specifically exempted under one of several exemptions set forth in the Act. If a respondent believes that any portion of its proposal is exempt from public disclosure or discussion under the Act, the

respondent must provide a full explanation and mark such portion "TRADE SECRETS," "CONFIDENTIAL" or "PROPRIETARY," and make it readily separable from the balance of the response. Proposals marked "TRADE SECRETS," "CONFIDENTIAL" or "PROPRIETARY" in their entirety will not be honored, and LACERA will not deny public disclosure of all or any portion of proposals so marked.

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

If LACERA receives a request pursuant to the Act for materials that a respondent has marked "TRADE SECRET," "CONFIDENTIAL" or "PROPRIETARY," and if LACERA agrees that the material requested is not subject to disclosure under the Act, LACERA will deny disclosure of those materials. LACERA will not be held liable, however, for inadvertent disclosure of such materials, data, and information or for disclosure of such materials if deemed appropriate in LACERA's sole discretion. LACERA retains the right to disclose all information provided by a respondent.

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

1. 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 a proposal; and
2. All Claims arising from or relating to LACERA's public disclosure of any such designated portions of a proposal if LACERA determines disclosure is deemed required by law, or if disclosure is ordered by a court of competent jurisdiction.

If LACERA staff recommends any respondent to the Boards for hiring, such recommendation, the reasons for the recommendation and the relevant proposal(s) will appear on a publicly posted agenda and in supporting materials for public meetings of the Boards.

Nothing in this RFP requires LACERA to withhold any documents from production under the Act.

## **6. NOTICE TO RESPONDENTS REGARDING LACERA DATA PROTECTION**

LACERA, its consultants, vendors, and contractors have a duty to protect all LACERA data, including without limitation, information related to members and beneficiaries, finances, systems, and operations.

The finalist selected through this procurement will have access to sensitive information protected by LACERA's internal policies, State, and Federal law. In such a case, by submitting a proposal, respondent agrees to subject itself to certain contractual terms designed to protect such information, including without limitation cyber liability insurance – used when vendor might have access to or use of LACERA systems or information. Respondents shall inform LACERA in their response if they have any limitations to agreeing to such terms. Respondents that do not make reservations shall lose their right to do so at the contracting phase.

## **7. CONTRACT NEGOTIATIONS**

Upon Board approval, staff will enter contract negotiations with the approved Respondent(s). LACERA may end negotiations, at its sole discretion, if it believes a satisfactory agreement cannot be negotiated. LACERA reserves the right to award a contract based upon proposals received; you should not rely upon the opportunity to alter your proposal (e.g., services to be provided, fees, etc.) during contract negotiations.

The final contract must allow LACERA to terminate a) for its convenience, b) if funds are not appropriated for the services to be provided, and c) for default.

The general form of the contract LACERA intends to use for this engagement is attached as **Exhibit D**. By sending a proposal without comment on the general form contract, Respondent agrees to each term in the contract, and will not seek any modifications to the contract. LACERA has the right to change or negotiate contract terms different than those in Exhibit D in our sole discretion.

Respondents are required in their response to identify and explain any exception that it desires to take to any of the terms and conditions of this RFP. In addition, 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 in its response to this RFP. If a satisfactory agreement cannot be negotiated with one or more of the firms, LACERA may, at its sole discretion, terminate such negotiations. LACERA, may then, at its option, initiate fee negotiations with another firm, and so on.

At LACERA's discretion the term of the contract entered under this RFP may be for an initial period of up to five (5) years, beginning from the date of final execution. There may

be two (2) one-year extensions under the same terms and conditions at LACERA's option. All contracts may be terminated at LACERA's convenience at any time.

## **8. RESERVATIONS BY LACERA**

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

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

8.2. Make such investigation as it deems necessary to determine the respondent's ability to furnish the required services, and the respondent agrees to furnish all such information for this purpose as LACERA may request.

8.3. Reject the proposal of any respondent who has failed to comply with the requirements of this RFP, or who is not currently in a position to perform the contract, or who has previously failed to perform similar contracts properly, or in a timely manner or for any other reason in LACERA's sole discretion.

8.4. Waive irregularities to negotiate in any manner necessary to best serve the public interest, and to make a whole award, multiple awards, a partial award, or no award.

8.5. Award a contract, if at all, to the firm which will provide the best match to the requirements of the RFP and the service needs of LACERA in LACERA's sole discretion, which may not be the proposal offering the lowest fees or achieving the highest score.

8.6. 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 RFP.

8.7. The right to choose to not enter into an agreement with any of the respondents to this RFP or negotiate for the services described in this RFP with a party that did not submit a proposal.

8.8. Determine the extent, without limitation, to which the services of a successful respondent are or are not actually utilized.

8.9. Defer selection of a winning bidder to a time of LACERA's choosing.

8.10. Consider information about a respondent in addition to the information submitted in the response or interview.

8.11. Add terms and conditions during contract negotiations.

8.12. The information that a respondent submits in response to this RFP becomes the exclusive property of LACERA. LACERA will not return any proposal or reimburse proposal preparation expenses.

LACERA shall not be liable for any costs respondents incur in connection with the preparation or submission of a proposal.

*(The rest of this page is left intentionally blank)*



## **EXHIBIT A**

### **PROPOSAL COVER PAGE AND CHECK LIST (TO BE SUBMITTED ON RESPONDENT'S LETTERHEAD)**

Respondent Name:

Respondent Address:

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

Respondent specifically acknowledges the following facts:

1. Respondent has the required technical expertise and has sufficient capacity to provide the services outlined in the RFP.
2. Respondent has no unresolved questions about the RFP and believes that there are no ambiguities in the scope of work.
3. The fee schedule or price proposal sent in response to the RFP is for the entire scope of work and no extra charges or expenses will be paid by LACERA.
4. Respondent has completely disclosed to LACERA all facts bearing upon any possible interests, direct or indirect, that Respondent believes any member of LACERA, or other officer, agent, or employee of LACERA presently has, or will have, in this contract, or in the performance thereof, or in any portion of the profits thereunder.
5. Materials contained in proposals and all correspondence and written questions sent during the RFP process may be subject to disclosure pursuant to the Act.
6. Respondent is not currently under investigation by any state or federal regulatory agency for any reason.
7. The signatory below is authorized to bind the respondent contractually.

[/s]

## EXHIBIT B

### MINIMUM QUALIFICATIONS CERTIFICATION (TO BE SUBMITTED ON RESPONDENT'S LETTERHEAD)

All Respondents must sign and return this attachment, along with written evidence of how you meet each qualification. The undersigned hereby certifies that the Respondent submitting this response fulfills the minimum qualifications outlined below, as well as the requirements contained in the RFP.

#### Minimum Qualifications include:

1. Current insurance Broker license issued by the California Department of Insurance, to be provided with this response.
2. At least ten (10) years of experience with commercial insurance policies
3. At least ten (10) years of experience working with governmental entities
4. Must have experience procuring insurance and providing insurance consulting services for medium to large defined public and/or private pension plan clients with at least \$5 billion in assets under management.
5. No prior history of corrective action with the California Department of Insurance.

<b>The undersigned hereby certifies that they are an individual authorized to bind the Firm contractually, and said signature authorizes verification of this information.</b>
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Authorized Signature

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Date

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Name and Title (please print)

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Name of Firm

**EXHIBIT C**  
**QUESTIONNAIRE**

**(RESPONDENT SHALL USE QUESTIONNAIRE NUMBERING IN ITS PROPOSAL)**

- 1. Brokerage Firm Overview:** Provide an overview of your company including, but not necessarily limited to:
- a) A brief history of your firm. Include in your response the year the firm was formed and began providing insurance broker services to institutional clients.
  - b) Whether the firm is local, national, or international.
  - c) Number of employees.
  - d) Number of year's proposer has been in business under the present name, as well as related prior business names.
  - e) Describe structure and ownership of your firm. State whether the firm is an individual proprietorship, partnership, limited liability company, corporation, or joint venture.
  - f) State all financial interests in other lines of business and/or entities related to service to be provided.
  - g) Description of the scope of services the firm provides. What are the firm's specialties, strengths, and limitations? What distinguishes your firm from your competitors?
  - h) The name, title, experience and qualifications of the officers, directors, and owners (if involved in management) of your firm.
  - i) A brief summary of any investigations by regulatory agencies resulting in any penalty imposed by the agency.
  - j) A brief summary of criminal filings against your firm and/or its principles in the past ten (10) years.
  - k) List and describe any professional relationship your firm or any of your staff may have with any member of the LACERA Board of Retirement, LACERA staff, LACERA legal counsel, or LACERA Plan Sponsors. Describe in detail any potential conflicts of interest your firm might have with respect to a LACERA account.

- I) Why should LACERA hire your firm? What is the firm's competitive advantage? Why your firm is the most qualified to perform the services being requested by LACERA?

## **2. Insurance Broker Services Staffing Proposal**

- a) List the name, title and office location of the primary individual(s) who would be responsible for the LACERA account.
- b) Provide biography/profile/resume for each person identified above.
- c) For each individual assigned to LACERA, provide a description of his/her years with the firm, responsibilities within the firm, years of relevant experience for this engagement, degrees and professional designations (and the name of the awarding institution) and any publications authored. What percentage of time will be allocated to each individual assigned to the LACERA account to provide services to LACERA? What other clients does each individual assigned to LACERA also serve?
- d) Describe what role each key person will play in providing the required LACERA services.

## **3. Qualifications**

- a) Provide evidence that your firm meets the minimum required qualifications (See Section III).

## **4. Methodology**

- a) Describe your understanding of the scope and level of services required by this RFP (See Section III) and provide a description of the specific methodology and/or process to be used for providing the scope of services include the following:
  - Schedule for procuring insurance, including meetings with insurers and interactions with LACERA Risk Management Staff, Executive Management, Staff Counsel, and the Board Trustees.
  - Process for determining LACERA insurance needs including the factors that will impact your analysis.
  - Describe the process for determining the various layers of coverage that are used in designing a comprehensive insurance plan.
  - Process for evaluating and making recommendations as to other insurance products for LACERA to consider.

- Identify the ongoing administrative process for managing insurance policies and any claims.
- b) Design an insurance program that you believe will meet the needs of LACERA based on the Scope of Services in Section 6 of this RFP and the requirements of County Employees' Retirement Law of 1937 (Government Code Section 31450, et seq.) and Art. XVI, sec 17 of the California Constitution and California Public Employees' Pension Reform Act of 2013 (PEPRA), Government Code Sec. 7522.30. Include in your response the anticipated insurance providers to be involved and an estimate of the annual premiums for each policy. Be specific with each policy as to the various coverage layers, retention levels, premiums and describe anticipated exclusions based on your past experience procuring the various policies.  
**NOTE: This is not a request to solicit, nor an authorization to contact the marketplace on behalf of the LACERA.**
  - c) Provide a list of insurance companies with which your firm is able to do business.
  - d) Describe how your firm would support LACERA in the event of a catastrophic claim.
  - e) Explanation of any services described in Section III of the RFP that cannot be provided by your firm.

##### **5. Relevant Experience and Understanding of LACERA**

- a) Provide a description of the firm's experience with public sector pension plans or other similar organizations or governmental entities.
- b) By utilizing the information contained in this RFP and at [www.lacera.com](http://www.lacera.com), assess LACERA risk profile and provide samples of reports to be used to communicate the results. What are the top three (3) risk exposures that you anticipate will concern the insurers? How do you propose that LACERA mitigate those risks?
- c) Discuss current market trends in fiduciary liability insurance that may be of interest to LACERA as it considers purchasing this coverage. How will these factors impact LACERA's decision to purchase coverage?
- d) Describe the practical and financial impact to LACERA when purchasing insurance with various retention levels.
- e) Provide a summary of any relevant research or white papers that your firm has produced in the past three (3) years on a topic relevant to LACERA.

##### **6. Compensation/Fee Proposal:**

- a) The proposal must include a not-to-exceed estimate of the total compensation required by the proposer for the entire scope of work being proposed. The total compensation must reflect all direct and indirect income, including fees-for-service, premium commissions, contingent commissions, contingent fees, and any other sources.

Provide your firms fee proposal in the following format:

Services	Fee Proposed				
	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Total fixed fee proposal</b>					

## 7. References

- a) Provide a list of at least three (3) government or private organizations for which your company has provided similar services. Provide the name of the organization, a point of contact, postal address, telephone number, and email address for each reference.

## 8. Proposed contract:

- a) Provide a copy of your company's standard professional services contract. Please indicate if there are any terms in the contract that are not negotiable.
- b) If applicable, a description of additional services your company offers which are not covered within this document.

## **EXHIBIT D**

### **AGREEMENT FOR SERVICES**

THIS IS THE GENERAL FORM AND CONTENT OF THE CONTRACT LACERA INTENDS TO USE. IN SUBMITTING A PROPOSAL WITHOUT COMMENT ON THE CONTRACT, THE BIDDER WILL BE DEEMED TO HAVE AGREED TO EACH CLAUSE IN THE AGREEMENT BELOW (AND TO NOT SEEK ANY MODIFICATIONS TO THE AGREEMENT), UNLESS BIDDER'S PROPOSAL IDENTIFIES AN OBJECTION OR INCLUSION, SETS FORTH THE BASIS FOR THE OBJECTION OR INCLUSION, AND PROVIDES SUBSTITUTE LANGUAGE TO MAKE THE CLAUSE ACCEPTABLE TO BIDDER.

LACERA RESERVES THE UNILATERAL RIGHT IN ITS SOLE DISCRETION TO MAKE CHANGES TO THE CONTRACT PRIOR TO EXECUTION, WHICH CHANGES WILL NOT PROVIDE BIDDER WITH AN OPPORTUNITY TO MAKE FURTHER CHANGES TO THE OTHER TERMS OF THE CONTRACT.

### **CONTRACT FOR INSURANCE BROKER SERVICES GENERAL AND FIDUCIARY LIABILITY INSURANCE PROGRAM**

This Contract for Insurance Broker Services ("Contract") is made and entered into by and between Los Angeles County Employees Retirement Association ("LACERA") and [NAME] ("Vendor") and is effective as of the date shown in Section 5.

#### **Recitals**

LACERA seeks the services of a company that offers Insurance Broker Services for LACERA's General and Fiduciary Liability Insurance Program.

Vendor represents that they offer the insurance brokerage services that LACERA seeks.

[ADDITIONAL RECITALS AS NEEDED]

#### **Contract**

##### **1. Services to be Provided.**

1.1 Vendor agrees to perform the services ("Services") described in the Statement of Work ("Statement of Work") attached to this Contract as Attachment A.

1.2 Vendor agrees to perform the Services at LACERA's offices, and with LACERA's consent, via telephone or email, and when appropriate, at a location of Vendor's choice.

1.3 All writings prepared or furnished by Vendor to LACERA in the performance of this Contract shall be the exclusive property of LACERA and may be used by LACERA, as LACERA deems appropriate.

1.4 Vendor's quality of service will be at least equivalent to that which Vendor provides to other clients it serves in the same capacity. Vendor will be held to the same standard of care, skill, prudence and diligence that applies to other experts practicing in a like enterprise.

## 2 Independent Contractor.

2.1 Vendor agrees to perform the Services as an independent contractor and agrees they will be acting at all times as such. Neither party intends, and this Contract may not to be construed, to create any relationship of agent, servant, employee, partnership, joint venture or association between Vendor and LACERA. Vendor is not, and will not be deemed to be for any purpose (including, without limitation, Workers' Compensation) an employee of Los Angeles County (the "County"). Vendor is not entitled to any rights, benefits, or privileges of County employees. Vendor is not eligible to participate in any insurance, savings, pension or deferred compensation offered by LACERA or the County.

2.2 Vendor has no power or authority to assume or create any obligation or responsibility, express or implied, on behalf of LACERA or the County, or to bind LACERA or the County in any way whatsoever.

2.3 Vendor accepts full and complete responsibility for filing all tax returns and paying all taxes, which may be required, or due for payments received from LACERA under this Contract. LACERA will memorialize payments for Vendor's services on a Form 1099.

2.4 Vendor represents and warrants that they comply with all applicable federal, state, and local laws, including without limitation, those laws respecting business licenses, withholding, reporting, and payment of taxes. Vendor further represents and warrants that they will report any income accruing to him from this Contract to the appropriate taxing authorities.

## 3. LACERA's Project Director.

LACERA's Project Director, or designee, has responsibility for determining whether the Services are performed to LACERA's satisfaction. LACERA's Project Director is James Beasley.

## 4. Indemnification and Insurance.

4.1 Vendor shall indemnify, defend and save harmless LACERA, its agents, officers and employees from and against any and all liability, damage, suit, cost of suit,



or expense, including defense costs and attorney's fees, arising out of or connected with claims for damages of any nature whatsoever arising from or connected with Vendor's operations or its services, including, without limitation, claims for bodily injury, death, personal injury, or property damage, including damage to Vendor's property.

4.2. Without limiting Vendor's obligations to indemnify LACERA, Vendor will provide and maintain at its own expense during the term of this Contract the programs of insurance programs specified in this Contract. Such insurance will be primary and not contributing with any other insurance of self-insurance programs maintained by LACERA, and Vendor agrees to provide and maintain such insurance at its own cost and expense.

4.2.1 Certificate(s) or other evidence of coverage satisfactory to LACERA shall be delivered to prior to commencing services under this Contract and annually thereafter to:

James Beasley  
LACERA  
300 N. Lake Avenue, Suite 650  
Pasadena, CA 91101-4199

4.3 Such certificates or other evidence shall:

4.3.1 Specifically identify this Contract.

4.3.2 Clearly evidence all coverage's required in this Contract.

4.3.3. Contain the express condition that LACERA is to be given written notice by mail at least 45 days in advance of cancellation for all policies, or, alternatively, in the event the insurers that otherwise provide satisfactory insurance hereunder do not assume third-party notification provisions, Vendor hereby agrees to notify LACERA at least 45 days in advance of any cancellation of any of the policies provided for herein.

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

4.3.5 Self-Insured Retentions must be declared to and approved by the LACERA. LACERA may require Vendor to purchase coverage with no retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention will be satisfied by the named Vendor

4.3.6 LACERA reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

4.4 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.

4.5 Failure to Maintain Coverage. Vendor's failure Vendor 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 Contract. LACERA, at its sole option, may obtain damages from Vendor resulting from said breach.

4.6 Compensation for LACERA Costs. In the event that Vendor fails to comply with any of the indemnification or insurance requirements of this Contract, and such failure to comply results in any costs to LACERA, Vendor shall pay full compensation for all costs incurred by LACERA.

4.7 Cooperation Regarding Insurance. LACERA may elect to procure insurance against loss or damage it may sustain in connection with Vendor's performance under this Contract. Vendor will promptly cooperate with any reasonable request for information regarding Vendor which is required to obtain such insurance.

4.8 Survival of Obligations. Vendor's obligations under this Section 4 shall survive expiration or termination of this Contract.

4.9 Commercial General Liability. Vendor shall provide and maintain a Commercial General Liability insurance policy, which names LACERA as additional insured. Such policy shall cover legal liability for bodily injury and property damage arising out of Vendor's business operations and services that Vendor provides pursuant to this Contract. Such policy shall include, without limitation, endorsements for Property Damage, Premises-Operations, Products/Completed Operations, Contractual, and Personal/Advertising Injury with a limit of at least \$1,000,000 per occurrence and an annual aggregate of at least 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 Contract.

4.10 Auto Liability. Vendor shall provide and maintain a comprehensive auto liability insurance policy endorsed for all "owned", "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.

4.11 Workers' Compensation. Vendor shall bear sole responsibility and liability for furnishing Workers' Compensation benefits to Vendor's employees for injuries arising from or connected with any services provided to LACERA under this Contract. Vendor shall provide and maintain a program of Workers' Compensation, in an amount and form to meet all applicable statutory requirements. In all cases, worker's compensation insurance also shall include Employer's Liability Insurance with limits of not less than \$1,000,000, each accident, and \$1,000,000, disease, covering all of Vendor's employees.

4.12 Errors and Omissions. Vendor shall provide and maintain insurance covering liability arising from any error, omission, negligent or wrongful act of the Vendor, its officers, employees, or Agents, with limits of at least \$1,000,000 per claim and an annual aggregate of at least \$2,000,000. The coverage also shall provide an extended one-year reporting period commencing upon termination or cancellation of this Contract.

4.13 Cyber Liability Insurance. Without limiting any of the obligations or liabilities of Vendor, Vendor shall carry and maintain, at its own expense including any applicable deductibles or retention, Cyber Liability insurance with limits of not less than \$2,000,000 for each occurrence and an annual aggregate of \$5,000,000 covering claims involving privacy violations, information theft, damage to or destruction of electronic information, intentional and/or unintentional release of private information, alteration of electronic information, extortion and network security. The policy coverage shall include, but not be limited to:

4.13.1 Privacy Liability Coverage. This coverage shall include LACERA and its members for breaches of their private information in the case of a data breach.

4.13.2 Notification Costs. This coverage shall cover the costs of notifying third parties and LACERA members potentially affected by a data breach.

4.13.3 Crisis Management. This coverage shall include the costs of managing the public relations outfall from most data breach scenarios.

4.13.4 Credit/Identity Monitoring. This coverage shall include coverage for affected members for at least 24 months or the minimum legally required period, whichever is longer.

4.13.5 Theft and Fraud Coverage. This coverage shall include the costs of theft or destruction of the LACERA's data and theft of funds.

4.13.6 Network and Business Interruption. This coverage shall include any expense due to an intentional interruption of the LACERA's computer systems.

4.13.7 Data Loss and Restoration. This coverage shall include the costs of diagnosing and repairing the cause of the loss and restoring all data.

## 5. Term.

The term of this Contract begins on [DATE] (the "Start Date"), and unless terminated for convenience, ends on the earlier of (i) full performance of the Services by Vendor and acceptance by LACERA or [ONE YEAR] after the Start Date. This Contract automatically renews up to four times for subsequent and successive one-year periods

under the same terms, conditions and compensation, unless either party delivers its written request for changes not less than ninety (90) days prior to the end of the then current term of the Contract. Neither party is required to renew or extend this Contract.

6. Non-Exclusive Services.

This Contract is not exclusive. Vendor has the right to perform services for others during the term of this Contract, but Vendor agrees not to engage in any business, work or services of any kind under contract, or otherwise, for any person, organization or agency, which in the opinion of LACERA is detrimental to the interests of LACERA or that would materially interfere with the performance of the Services. Vendor agrees to disclose such information regarding business, work or services they perform on behalf of any person, organization or agency as LACERA may reasonably require verifying Vendor's compliance with this Section.

7. Compensation.

LACERA agrees to pay Vendor according to the Fee Schedule attached as Attachment B for performing the Services. Vendor's expenses are included in the compensation described in Attachment B and therefore Vendor is not entitled to any separate reimbursement for any expenses incurred by it in discharging its duties under this Contract, unless otherwise agreed by LACERA.

8. Invoices.

Vendor agrees to submit invoices to LACERA's Project Director, in arrears, by the tenth day of each calendar month for Services performed during the previous calendar month. Each invoice must (a) describe in detail the Services performed and expenses incurred by Vendor during the invoice period, (b) show the cumulative charges year-to-date (based on a fiscal year beginning July 1) for all Services and expenses, and (c) include such other information as LACERA may reasonably request. Each invoice will be payable within thirty days of receipt by LACERA. If LACERA's Project Director disputes any portion of an invoice, however, LACERA will pay the undisputed portion only and notify Vendor in writing of the disputed portion. Vendor and LACERA agree to act in good faith to resolve such disputes.

9. Contract Not Assignable.

Vendor may not assign any of its rights, duties, or obligations under this Contract without the prior written consent of LACERA, which LACERA may grant or withhold in its sole discretion.

10. Confidentiality.

10.1 Confidential Information. Vendor understands that, during the performance of this Contract, it will have access to confidential and proprietary LACERA information,

policies and procedures, benefits, business practices, and technology concerning LACERA's operations, as well as sensitive confidential member information and business critical non-member information (collectively, "Confidential Information"). For clarity, Confidential Information includes all information of any and every kind provided to Vendor, regardless of whether it may previously have been disclosed by LACERA or others in other contexts, in that LACERA needs to know to whom, when, where, and how all of its information has been disseminated and reserves to itself the right to determine to whom, when, where, and how such information is released. Confidential Information further includes all information related in any way to LACERA provided to Vendor.

Confidential Information may be provided to Vendor or generated or stored by Vendor in written, electronic, verbal, and all others forms. Vendor understands and agrees that:

10.1.1 Vendor shall not disclose Confidential Information to any person within its organization except those persons required to perform the services of the Contract.

10.1.2 Vendor shall not disclose Confidential Information to any third party without LACERA's advance written approval.

10.1.3 Vendor's agreement not to disclose Confidential Information includes an agreement not to disclose information even on a no-names basis.

10.1.4 Vendor will use best efforts, including but not limited to the highest level of care Vendor accords to its own most sensitive information and the most sensitive information of its other clients, to secure and maintain the confidential nature of the Confidential Information.

10.1.5 Vendor will not use the Confidential Information for any purpose other than to perform the services required by this Contract. This confidentiality provision will survive the termination of the Contract.

## 11. Nondiscrimination.

Vendor hereby promises and agrees that it will comply with Subchapter VII of the Civil Rights Act of 1964, 43USC Section 2000e through 2000e (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 Contract, or under any project, program or activity supported by this Contract.

Vendor shall take affirmative action to ensure that applicants and employees are treated in an unbiased manner without regard to their race, color, religion, sex, age, ancestry, or national origin, physical or mental handicap, marital status, or political affiliation. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or

termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

12. Compliance with Laws.

Vendor shall comply with all applicable Federal, State and local laws, rules, regulations, ordinances, and directives, and all provisions required to be included in this Contract are incorporated by this reference. Vendor shall indemnify and hold LACERA harmless from any loss, damage or liability resulting from a violation by Vendor of any such laws, rules, regulations, ordinances, and directives.

13. Conflict of Interest.

No officer or employee of LACERA whose position enables him or her to influence the award of this Contract or any competing agreement, and no spouse or economic dependent of such officer or employee shall be employed in any capacity or in any way remunerated by Vendor, or have any direct or indirect financial interest in this Contract or in Vendor.

14. Modifications.

Any modification to this Contract must be in writing, signed by Vendor and LACERA, to be effective.

15. Termination for Default.

Services performed under this Contract may be terminated in whole or in part by LACERA providing to Vendor a written Notice of Default if (1) Vendor fails to perform the services within the time specified in this Contract or any extension approved by LACERA, or (2) Vendor fails to perform any other covenant or condition of this Contract, or (3) Vendor fails to make progress so as to endanger its performance under this Contract.

Vendor shall have ten (10) calendar days from the date of the Notice of Default in which to cure the Default(s), however, in its sole discretion, LACERA may extend this period or authorize a longer period for cure.

Without limitation of any additional rights or remedies to which it may be entitled, if LACERA terminates all or part of the services for Vendor's Default, LACERA, in its sole discretion, may procure replacement services and Vendor shall be liable for all excess costs incurred by LACERA in connection with those replacement services, as determined by LACERA in its sole discretion.

If it is determined that Vendor was not in Default under the provisions of this Contract, or that the Default was excusable, then the rights and obligations of the parties shall be the same as if the Notice of Termination had been issued under Section 16. Termination for Convenience.

## 16. Termination for Convenience.

Services performed under this Contract may be terminated in whole or in part at any time LACERA or Vendor deems that termination is in its best interest. LACERA or Vendor shall terminate services by delivering a written Termination Notice which specifies the extent to which services are terminated and the effective termination date.

After receiving a Termination Notice under this section, and unless otherwise expressly directed by LACERA, Vendor shall take all necessary steps and shall stop services on the date and to the extent specified in the Termination Notice and shall complete services not so terminated.

## 17 SOC-2

SOC-2 Report. The Vendor shall have an annual audit performed by an independent audit firm. The audits shall include the Vendor's and any subcontractor's handling of Confidential Information and shall address all areas relating to information technology security and operational processes to provide such security. The audits shall be performed in accordance with the guidance set forth in Reporting on Controls at a Service Organization Relevant to Security, Availability, Processing Integrity, Confidentiality, or Privacy (SOC 2), as published by the American Institute of Certified Public Accountants (AICPA) and as updated from time to time, or according to the most current audit guidance promulgated by the AICPA or similarly recognized professional organization, as agreed to in writing by LACERA. The audit shall assess the security of information technology security and operational process to provide such security as follows:

17.1 The type of audit to be performed in accordance with the Guidance is a SOC 2 Type 2 Audit (referred to as the "SOC 2 Audit" or "SOC 2 Report"). The initial SOC 2 Audit shall be scheduled and completed within six months of executing the Contract. All subsequent SOC 2 Audits that are arranged after this first audit shall be performed and submitted annually.

17.2 The SOC 2 Audit shall report in writing on the Vendor's and any subcontractor's system(s) and the suitability of the design and operating effectiveness of controls of the information functions and/or processes to meet the requirements of the Contract, including the security requirements.

17.3 The scope of the SOC 2 Report shall include work performed by any subcontractors that provide essential support to the Vendor for the information functions or processes for the services offered to LACERA under the Contract. The Vendor shall ensure the audit includes all subcontractors operating in the performance of the Contract.

17.4 All SOC 2 Audits, including those of the Vendor and any subcontractors, shall be performed at no additional expense to LACERA.

17.5 The Vendor and all relevant subcontractors shall promptly provide a complete copy of the final SOC 2 Report(s) to the Project Director upon completion of each SOC 2 Audit engagement.

17.6 The Vendor shall provide to LACERA, within 30 calendar days of the issuance of each SOC 2 Report, a documented corrective action plan that addresses each audit finding or exception contained in a SOC 2 Report. The corrective action plan shall identify in detail the required remedial action by the Vendor or subcontractor(s) along with the implementation date(s) for each remedial action.

17.7 If the Vendor or any subcontractor fails to obtain an annual SOC 2 Report, LACERA shall have the right to retain an independent audit firm to perform an audit engagement of a SOC 2 Report. The audit will include the information functions and processes utilized or provided by the Vendor and any relevant subcontractor under the Contract. The Vendor and any subcontractor agree to allow the independent audit firm to access its facilities for purposes of conducting this audit engagement. They will provide the necessary support and cooperation to the independent audit firm that is required to perform the audit engagement of the SOC 2 Report. LACERA will invoice the Vendor for the expense of the SOC 2 Report(s), or deduct the cost from future payments to the Vendor.

#### 18. Disaster Recovery & Business Continuity

Vendor will implement and maintain disaster recovery and business continuity procedures that are reasonably designed to recover data processing systems, data communications facilities, information, data and other business-related functions of LACERA in a manner and time frame consistent with legal, regulatory and business requirements applicable to LACERA.

#### 19. Data Breach Verification

19.1 Vendor shall provide an annual written, signed attestation that to the best of its knowledge, no data breach, hacking, or incidental divulging of Member Records has occurred and that no Member Record has been compromised. The attestation shall verify that adequate internal policies and procedures exist to prevent data theft and unauthorized access.

19.2 Vendor shall provide an annual system penetration test in support of the attestation made in item A above. Vendor shall provide the results of penetration tests to LACERA.

19.3 Vendor shall comply with California Civil Code § 1798.29(e) and California Civ. Code § 1798.82(f). In the event of a security breach of more than 500 records, the Vendor shall electronically submit a single sample copy of that security breach notification, excluding any personally identifiable information, to the Attorney General.



19.4 Vendor shall notify any California resident whose unencrypted personal information, as defined, was acquired, or reasonably believed to have been acquired, by an unauthorized person as required by California Civil Code §1798.29(a) and California Civ. Code §1798.82(a).

19.5 Notwithstanding the legal notification requirements in the preceding paragraphs, Vendor will immediately notify LACERA upon its discovery of any incident or data breach.

20. Entire Contract and Severability.

This document (including Attachments A and B) constitutes the final, complete, and exclusive statement of the terms of the Contract between LACERA and Vendor for the services to be performed and supersedes all prior and contemporaneous understandings or Contracts of the parties. The provisions of this Contract are severable, and if any one or more provisions may be determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions or parts thereof shall nevertheless be binding and enforceable and the invalid, illegal or unenforceable provision shall be replaced by a mutually acceptable valid, legal and enforceable provision which comes closest to the intent of the parties.

21. Governing Law and Venue.

21.1 This Contract 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.

21.2 Any party bringing a legal action or proceeding against any other party arising out of or relating to this Contract 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 or in any court of the State of California sitting in Los Angeles County.

21.3 Each party to this Contract consents to the exclusive personal and subject matter jurisdiction of any United States District Court sitting in the County of Los Angeles and any court of the State of California sitting in the County of Los Angeles, and their appellate courts for the purpose of all legal actions and proceedings arising out of or relating to this Contract or the transactions it contemplates, including all claims of any nature or type, whether in contract, tort, statutory, equitable, legal, or otherwise.

22. Attorney's Fees.

In the event of litigation between the parties concerning this Contract, the prevailing party shall be entitled to recover reasonable costs and expenses incurred therein, including without limitation attorney's fees. 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.

23. Interpretation.

Vendor acknowledges they have been given the opportunity to have counsel of their own choosing to participate fully and equally in the review and negotiation of this Contract. The language in all parts of this Contract shall be construed in all cases according to its fair meaning, and not strictly for or against any party hereto. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Contract.

24. Waiver.

No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Contract 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.

*Remainder of Page Intentionally Left Blank*

IN WITNESS WHEREOF, Vendor has signed this Contract, and the  
[SIGNATORY TITLE] of LACERA has signed this Contract, effective as of the date  
indicated in Section 5.

LACERA:

[Vendor Name]:

Los Angeles County Employees  
Retirement Association

By:

\_\_\_\_\_  
[TITLE]

\_\_\_\_\_  
[Authorized Signatory Title]

Address for notices:

James Beasley  
LACERA  
300 N. Lake Avenue, Suite 650  
Pasadena, CA 91101

Address for notices:

[NAME]  
[STREET]  
[CITY, STATE, ZIP]

Approved as to form:

\_\_\_\_\_  
John Harrington  
LACERA Staff Counsel

**ATTACHMENT A**  
**STATEMENT OF WORK**

Vendor scope of services shall be to supply software capable of providing the minimum feature specifications as follows:

## **ATTACHMENT B**

### **FEES**

Vendor Fees for providing total fund risk analysis software shall be as follows:

**EXHIBIT E**  
**INTENT TO RESPOND**

Intent to Respond.

If you choose to respond to this RFP, please send this form to [jbeasley@lacera.com](mailto:jbeasley@lacera.com) via email no later than 5:00 p.m. PDT, 1/12/2022. Failure to send your Intent to Respond may disqualify your firm from submitting a proposal.

LACERA's responses to written requests for clarification or other information will be provided to all Respondents that have submitted an Intent to Respond.

**To:** James Beasley  
**Co.:** LACERA – Administrative Services

**Phone:** 626-564-6000 ext. 3529  
**Email:** [jbeasley@lacera.com](mailto:jbeasley@lacera.com)  
**Re:** Intent to Respond

Our firm intends to submit a response for LACERA's RFP for [Services Requested].

Please send inquiries to the following contact:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Company: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

Email Address: \_\_\_\_\_

## EXHIBIT F

### SELECTION CRITERIA

The selection criteria below and the weighting schedule of the evaluation factors is a guide only and does bind or limit LACERA in any way in its selection of vendor(s).

An evaluation committee will review, evaluate, score, and rank all responsive proposals by the evaluation criteria described below. LACERA may invite the highest ranked Respondents for presentations and interviews at which time each will have a limited amount of time to further describe their experience and qualifications, and to answer questions.

Scores will be used merely as an aid in selection and is not binding or determinative on LACERA with respect to the basis for selection. LACERA will evaluate proposals based upon the proven ability of the Respondent to satisfy the requirements in an efficient, cost-effective manner, considering quality of service. LACERA will evaluate responses against the following criteria and factors:

LACERA will consider the criteria, without a specific weighting, unless noted below. The balancing of the factors is in LACERA's sole discretion. LACERA reserves the right to consider factors other than those listed in making its choice.

	CRITERIA	WEIGHT
1	Firm's Experience and Brokerage Capabilities	25
2	Quality and Experience of Assigned Professional Personnel	20
3	Understanding of LACERA, Methodology, and Quality of Proposal submitted	25
4	Fee Proposal	25
5	References	5
Total		100%

Other considerations for evaluating responses may include:

1. Compliance with RFP instructions and format.
2. Clarity and completeness of RFP responses.

### Secondary Quotes

The specifications outlined in this RFP are designed to provide a general framework of the minimum requirements but are not intended to limit the freedom of Brokers to submit alternative proposals that in their judgment, would be beneficial and cost-effective for

LACERA. The secondary quote is not a substitute for the primary quote, which must be submitted in accordance with the instructions provided in this RFP. However, the alternate proposal does not have to follow the formatting requirements described in this section.



December 27, 2021

TO: Operations Oversight Committee  
Shawn R. Kehoe, Chair  
Herman B. Santos, Vice Chair  
Les Robbins  
Vivian H. Gray, Alternate

FROM: Steven P. Rice, *SPR*  
Chief Counsel

FOR: January 5, 2022 Operations Oversight Committee Meeting

SUBJECT: Recommendation of Revised Administrative Appeals Procedures for Felony Forfeiture

## **Recommendation**

That the Operations Oversight Committee recommend to the Board of Retirement the approval of the revised Administrative Appeals Procedures for Felony Forfeiture.

## **Legal Authority**

Under Article XVI, Section 17 of the California Constitution, the Board of Retirement (Board) has "plenary authority" and "exclusive fiduciary responsibility" over the administration of the fund, which includes the power to approve necessary policies and procedures such as the one presented here. The proposed revised Administrative Appeals Procedures for Felony Forfeiture are also necessary to ensure that LACERA and the Board comply with the requirements for due process in felony forfeiture matters established by *Hipsher v. Los Angeles County Employees Retirement Association*, 58 Cal.App.5th 671 (2000) (*Hipsher*). Under Section 1.7.5 of the Board of Retirement Standing Committee Charters, the Operations Oversight Committee (OOC) is responsible to "Recommend to the BOR regulations and policies that affect retirement benefit administration."

## **Background**

Government Code Sections 7522.72 and 7522.74, which is part of the Public Employees' Pension Reform Act of 2013 (PEPRA), provide that members convicted of job-related felonies forfeit all retirement benefits from the date of first commission of the felony.

In *Hipsher v. Los Angeles County Employees Retirement Association*, *supra*, 58 Cal. App. 5th 671, a Los Angeles County firefighter challenged LACERA's forfeiture of his benefits after he entered into a plea agreement and was convicted of a federal felony for directing

an offshore gambling operation. The Court of Appeal held that LACERA as the benefits administrator, not the County of Los Angeles, must provide “appropriate administrative due process” to members such as Mr. Hipsher whose benefits are subject to forfeiture. The court returned the case to the Superior Court with instructions for LACERA to provide due process. This memo will not discuss the specific facts and evidence of the *Hipsher* case because Mr. Hipsher’s administrative appeal is still pending and will be presented to the Board for action at a future date providing due process, as required by the Court of Appeal. Two administrative appeals from other members are also pending and will be brought to the Board for consideration in the near future. Additional cases will come before the Board in the future.

The *Hipsher* court did not define the exact due process procedures that LACERA must provide. The court recognized that the nature of felony forfeiture proceedings will vary based on the nature of the felony and the record, including whether the felony is clearly job-related and whether the member’s conviction followed a full trial. The court described “minimum” due process in which the member is provided “written notice reasonably calculated to apprise him of the pendency of the section 7522.72 action, and the right to present his objections before an impartial decision maker.” The court cited authority that a formal hearing with full rights to confront and cross-examine witnesses is not necessarily required.

The *Hipsher* court cited LACERA’s Administrative Appeal Procedure for non-forfeiture benefits issues as evidence that LACERA is able to implement an appeal process for felony forfeitures. However, the court did not perform an analysis of the Administrative Appeal Procedure as applied to felony forfeitures.

In 2019, following an earlier *Hipsher* decision by the Court of Appeal, the Board approved Administrative Appeals Procedures for Felony Forfeiture (Procedures). However, based on the 2020 *Hipsher* decision discussed above, staff reviewed the existing Procedures and now recommends changes to ensure compliance with due process requirements. A redlined copy of the proposed revised Procedures is attached as Attachment A, and a clean copy is attached as Attachment B. Fiduciary counsel reviewed the proposed Procedures and made comments that were incorporated. The changes are designed to exceed the minimum standards described in the *Hipsher* case and provide the Board with flexibility to best address different types of cases in the interest of each affected member and the Board’s decision-making process.

### **Proposed Revised Procedures**

The proposed revisions to the existing Procedures are summarized as follows:

*Section 1. Purpose.* Language is added clarifying that the Procedures only apply to forfeitures made under California law, so as not to create confusion with garnishments or other actions that may affect benefit calculations or payments.

*Section 2. Felony Forfeiture Procedures.*

Subsection A is revised to clarify the information requested from the employer.

Subsection B is revised to provide clarification regarding the process for the initial notification to a member that the fund will perform a forfeiture review.

Subsection C is revised to provide a list of examples of documents related to the felony that may be requested by staff during their review to assist the search for relevant evidence.

Subsection D is revised to state that it is staff's burden in the Notice of Initial Determination to state the facts and law supporting that the member has been convicted of a forfeitable felony and the calculation of forfeited benefits. Copies of all documents relied upon by staff must be provided to the member. The revisions also provide additional clarity with regard to the explanation staff shall provide in the Initial Determination. The language regarding the member's time to file an appeal is revised to provide that staff may extend the initial 30 days appeal period for an additional 30 days upon request.

Subsection E is revised to clarify the content of the member's appeal, the process that will be followed if there is no appeal from the Initial Determination, and the ethical wall within the Legal Office between counsel advising staff and counsel advising the Board with respect to forfeiture issues.

Subsection F is revised to describe the hearing process before the Board of Retirement, including the schedule for notice and exchange of information, the information to be provided to the Board, the agendaing of hearings, the length of argument to the Board, increased transparency of the Board's decision making, and the options available to the Board, including making an immediate decision or referring the matter to a referee for a recommendation. Under the current policy, a member or their counsel can only address the Board in Public Comment; the proposed policy will allow the member or counsel to speak and engage in question and answer with the Board as part of an agendaed item.

Subsection G is revised to clarify the requirement for written notice after the Board's decision, including notice of the member's right to file a writ in Superior Court.

Section III. Actions Taken After the Forfeiture of Benefits. This section is unchanged, except for correction of a typographical error in the prior version.

### **Conclusion**

For the foregoing reason, it is recommended that the Operations Oversight Committee recommend to the Board of Retirement the approval of the revised Administrative Appeals Procedures for Felony Forfeiture.

c: Santos H. Kreimann  
Luis Lugo  
JJ Popowich  
Laura Guglielmo  
Carlos Barrios  
Vincent Lim  
Eugenia Der  
Allison Barrett  
Jason Waller  
Frank Boyd  
Fern Billingsy  
Michael Herrera  
Louis Gittens

ATTACHMENT A  
REDLINED FELONY FORFEITURE  
PROCEDURE

**ADMINISTRATIVE APPEALS PROCEDURES FOR FELONY FORFEITURE**

(Effective [March 14, 2019](#) \_\_\_\_\_, [2022](#))

**I. PURPOSE**

Under the California Public Employees' Pension Reform Act of 2013 (PEPRA), public employees who have been convicted on or after January 1, 2013, by a state or federal trial court of any felony under the law for conduct arising out of or in the performance of his or her official duties must forfeit all accrued rights and benefits in any public retirement system that they are a member of at the time the felony is committed retroactive to the first commission date of the crime and shall not accrue further benefits in that public retirement system. (Government Code sections 7522.72 and 7522.74.)<sup>1</sup>

These statutes require the forfeiture if the public employee is convicted of any felony for conduct:

- Arising out of or in the performance of his or her official duties, or
- In pursuit of the office or appointment, or
- In connection with obtaining salary, disability retirement, service retirement, or other benefits, or
- Committed within the scope of official duties against or involving a child.

The public employee and the prosecuting agency are required by law to notify the public employer within 60 days of the qualifying felony conviction. The employer is required by law to notify the public retirement system within 90 days of a qualifying felony conviction.

Although it is the employer's responsibility to notify LACERA of an employee's felony conviction, LACERA can be notified by the media, third parties or members. When this occurs, LACERA will reach out to the employer to request the information described below in Section II A.

[The provisions of this procedure apply only to felony forfeitures made under California law.](#)

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<sup>1</sup> Section 7522.72 applies to public employee first employed by a public employer or first elected or appointed to an office before January 1, 2013 and Section 7522.74 applies to public employees first employed, elected or appointed on or after January 1, 2013.

## II. FELONY FORFEITURE PROCEDURES <sup>2</sup>

### A. Employer's Notification to LACERA of Felony Conviction

The County of Los Angeles and other participating employers are required by law to notify LACERA within 90 days of a qualifying felony conviction. Upon notification, LACERA will request that the employer provide the following information:

1. Name of member and County employee ID.
2. Date of conviction which is the date that the public employee pleads guilty, or when the judge (or jury) decides the case.
3. Date of the first known commission of each felony.
4. Name of the court(s) in which the case was heard.
5. Name and contact information for the prosecuting attorney.
6. Description of the felony charges for which the public employee was convicted.
7. Copy of court documents related to public employee's conviction/guilty plea, as specified in Section II.C below.
8. Information and supporting documents relating to whether the felony offense for which the conviction was entered was committed during the conduct or performance of the public employee's job duties pursuant to Government Code sections 7522.72 or 7522.74 as specified in Section II.C below.
9. Any internal investigatory reports.
- 9-10. eHR Employee Job History and Class Specifications.

### B. ~~LACERA'S~~ LACERA's Notification to the Member of the Forfeiture Review

~~Once~~After LACERA receives notification from the employer of a job-related felony conviction, LACERA will send a letter to the member within 30 days informing them that LACERA is in process of determining the applicability of the felony forfeiture law, and, if applicable, the impact on the member's benefits. ~~Following notification, After sending notice to the member, staff will lock~~ the member's account ~~is locked~~ to prevent withdrawals (for active and deferred contributory members) of the account pending determination of the impact, if any, of the conviction.<sup>3</sup>  
~~conviction.~~<sup>4</sup>

### C. Staff's Review of Information

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<sup>2</sup> The Felony Forfeiture Procedures shall not be subject to LACERA's Administrative Appeals Procedures for Retirement Benefits.

<sup>3</sup> If these Procedures conflict with any statutory or case law, the statutory or case law shall govern.

<sup>4</sup> ~~If these Procedures conflict with any statutory or case law, the statutory or case law shall govern.~~

Staff will review the information provided by the employer under Section II A and determine what additional information, if any, is needed from the employer, the member ~~and/or~~ the prosecuting agency to make the required determinations, ~~and/or other sources~~. Staff is not limited to the criminal record in gathering the information it believes is appropriate. Staff may request the Board to exercise its subpoena power under Government Code section 31535. Staff review may include, but is not limited to, law enforcement investigatory reports; criminal indictments and informations filed; trial transcripts; jury or judicial verdicts; plea agreements; transcripts of plea colloquies, and transcripts of sentencing hearings. This section is intended as a rule of general application. Where the complexity of the case or factual and legal issues dictates, staff's investigation should seek all reasonably available and relevant sources of information.

#### **D. Notice of Initial Determination**

After staff's review, staff will send a Notice of Initial Determination (the "Notice" or "~~Staff~~ Initial Determination") to the member as to the applicability of the felony forfeiture law to the facts. ~~This Notice will include: It is staff's burden to prepare a statement sufficient to show a prima facie case that a conviction of a forfeitable offense has occurred and the basis for determining that portion of benefits to be forfeited.~~ The Notice will include:

1. A copy of this Procedure;
2. A letter explaining the applicability of the felony forfeiture law and, if applicable, an explanation of the impact of the forfeiture on the member's benefits and the applicable proposed actions.
3. An explanation of the facts and law upon which staff relied in making its determination, including copies of all documents relied upon by staff in reaching the conclusions stated in the Initial Determination. Citation should be made in the explanation to appropriate statutory or case law relied upon by staff in reaching its determination.
- 3.4. Information about the member's right to appeal ~~Staff's~~the Initial Determination to the Board of Retirement within 30 calendar days of the date of the mailing of the Notice, subject to an extension of up to an additional 30 days that may be granted by staff upon request.

#### **E. Member's Appeal of ~~Staff's~~The Initial Determination**

The appeal shall contain a statement of the facts forming the basis of the appeal and provide copies of documents and other evidence, if any, the member deems relevant to the appeal. Citation should also be made in the appeal to appropriate statutory or case law relied upon by the member in support of their position. The appeal shall be in writing and mailed to the following address: LACERA Legal Office, 300 N. Lake Avenue, Suite 620, Pasadena, CA. 91101. ~~Both the member and LACERA staff shall have the~~



~~opportunity to submit to the Board of Retirement written evidence and argument relevant to the matters under consideration.~~

If ~~Staff~~the Initial Determination is not timely challenged by the member, within the time limit established above in Section II.D., ~~it(4), the Initial Determination~~ will be deemed final and binding and LACERA will implement the felony forfeiture adjustments as indicated in the Notice. Staff will send a ~~Final Letter~~letter titled PEPPRA Forfeiture Impact: Notice of Final Determination to the member explaining the applicability of the felony forfeiture law and the impact on the member's benefits.

Counsel advising the staff in preparing the Notice of Initial Determination shall be separate from the counsel advising the Board in a manner consistent with *Morongo Band of Mission Indians v. State Water Resources Control Board*, 45 Cal. 4<sup>th</sup> 731 (2009).

#### **F. Board of Retirement's Determination**

~~A~~The Board of Retirement will hear a member's timely challenge ~~will be heard by the Board of Retirement.~~ Notice of the date and time of the meeting will be provided to the member at least 2060 calendar days, unless waived by the member, prior to the Board of Retirement meeting along with any instructions regarding the submission of documents and other evidence as necessary. At the Board hearing, both the member and LACERA staff shall have the opportunity to present argument to the Board of Retirement on the facts and law relevant to the matters under consideration.

The member and staff will have the right to present written evidence and additional written argument relating to issues in the Notice of Initial Determination. All written evidence and non-privileged argument shall be exchanged between the parties at least 30 calendar days prior to the hearing. The sole questions for the Board of Retirement will be whether the conviction constitutes a forfeitable offense and that the portion of the benefit to be forfeited has been correctly calculated based on the date of first commission of a job-related felony.

The matter will be placed on the Board of Retirement's regular public agenda for its review, findings ~~and decision.~~ ~~The member and his or her counsel will have the opportunity to address the Board in open session prior to the closed session. The Legal Office's analysis, recommendations, and the alternatives which are available to the Board for action will be discussed with the Board in closed session pursuant to Government Code Section 54956.9(d)(2).~~ and decision. The Notice of Initial Determination, Appeal, and any other written argument or evidence provided by the member and staff will be provided to the Board in advance of the hearing. Time for the hearing will be as follows: Member's opening argument for 5 minutes; staff's argument for 5 minutes; and member's reply for 2.5 minutes. No oral testimony will be taken. The Board may ask questions of

the member and staff. Counsel for the Board may separately provide a memorandum to the Board providing advice as to the issues raised by the member and staff.

The hearing may be conducted in closed session if it will relate to personal health information. Otherwise, the hearing will be conducted in open session.

In acting upon the member's appeal, the Board may:

1. Affirm the forfeiture as stated in the Initial Determination;
2. Grant the member's appeal, disallowing any forfeiture;
3. Direct that the forfeiture in the Initial Determination be modified;
4. Refer the matter to a referee for hearing and recommendation in accordance with the procedures described in LACERA's *Procedures for Disability Retirement Hearings*; or
5. Take such other action as the Board deems appropriate.

### **G. Member's Appeal of Board's Decision**

Following the Board ~~meeting~~hearing and final decision, the Legal Office will provide the member with written notice of the Board's decision: setting forth the basis of its decision. If the Board agrees with ~~Staff's~~the Initial Determination, LACERA will implement the adjustments as indicated in the Notice. If the Board ~~adopts another resolution~~modifies the forfeiture, LACERA staff shall implement the adjustments as indicated in the Board's decision. Staff will send the Notice of Final Determination to the member explaining the applicability of the felony forfeiture law and the impact on the member's benefits.

If the member is dissatisfied with the Board's action, the member may obtain judicial review by filing a petition for a writ of mandate in accordance with the appropriate provision of the California Code of Civil Procedure ~~section 1085~~. The written notice of the Board's decision will include information as to the member's right to seek judicial review.

A member's filing of a writ challenging the Board's final ~~administrative~~ determination shall not prevent LACERA from implementing the Board's determination, unless a court orders otherwise.

### **III. ACTIONS TAKEN AFTER THE FORFEITURE OF ~~BENETIFS~~ BENEFITS**

Any refunds returned to the public employee pursuant to Government Code sections 7522.72 and 7522.74 shall be disbursed by electronic funds transfer to an account of the public employee in a manner conforming with the requirements of the Internal Revenue Code, and LACERA shall notify the court and district attorney at least three business days before that disbursement of funds.

If there is a reversal of the conviction, and that decision is final, the member has the option to redeposit the contributions from the forfeited period or recover the forfeited rights and benefits.

**Adopted:**

**Approved by Board of Retirement: (~~03/14/19~~) \_\_\_\_\_, 2022**

ATTACHMENT B  
CLEAN FELONY FORFEITURE  
PROCEDURE

**ADMINISTRATIVE APPEALS PROCEDURES FOR FELONY FORFEITURE**  
(Effective \_\_\_\_\_, 2022)

**I. PURPOSE**

Under the California Public Employees' Pension Reform Act of 2013 (PEPRA), public employees who have been convicted on or after January 1, 2013, by a state or federal trial court of any felony under the law for conduct arising out of or in the performance of his or her official duties must forfeit all accrued rights and benefits in any public retirement system that they are a member of at the time the felony is committed retroactive to the first commission date of the crime and shall not accrue further benefits in that public retirement system. (Government Code sections 7522.72 and 7522.74.)<sup>1</sup>

These statutes require the forfeiture if the public employee is convicted of any felony for conduct:

- Arising out of or in the performance of his or her official duties, or
- In pursuit of the office or appointment, or
- In connection with obtaining salary, disability retirement, service retirement, or other benefits, or
- Committed within the scope of official duties against or involving a child.

The public employee and the prosecuting agency are required by law to notify the public employer within 60 days of the qualifying felony conviction. The employer is required by law to notify the public retirement system within 90 days of a qualifying felony conviction.

Although it is the employer's responsibility to notify LACERA of an employee's felony conviction, LACERA can be notified by the media, third parties or members. When this occurs, LACERA will reach out to the employer to request the information described below in Section II A.

The provisions of this procedure apply only to felony forfeitures made under California law.

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<sup>1</sup> Section 7522.72 applies to public employee first employed by a public employer or first elected or appointed to an office before January 1, 2013 and Section 7522.74 applies to public employees first employed, elected or appointed on or after January 1, 2013.

## **II. FELONY FORFEITURE PROCEDURES <sup>2</sup>**

### **A. Employer's Notification to LACERA of Felony Conviction**

The County of Los Angeles and other participating employers are required by law to notify LACERA within 90 days of a qualifying felony conviction. Upon notification, LACERA will request that the employer provide the following information:

1. Name of member and County employee ID.
2. Date of conviction which is the date that the public employee pleads guilty, or when the judge (or jury) decides the case.
3. Date of the first known commission of each felony.
4. Name of the court(s) in which the case was heard.
5. Name and contact information for the prosecuting attorney.
6. Description of the felony charges for which the public employee was convicted.
7. Copy of court documents related to public employee's conviction/guilty plea, as specified in Section II.C below.
8. Information and supporting documents relating to whether the felony offense for which the conviction was entered was committed during the conduct or performance of the public employee's job duties pursuant to Government Code sections 7522.72 or 7522.74 as specified in Section II.C below.
9. Any internal investigatory reports.
10. eHR Employee Job History and Class Specifications.

### **B. LACERA's Notification to the Member of the Forfeiture Review**

After LACERA receives notification from the employer of a job-related felony conviction, LACERA will send a letter to the member within 30 days informing them that LACERA is in process of determining the applicability of the felony forfeiture law, and, if applicable, the impact on the member's benefits. After sending notice to the member, staff will lock the member's account to prevent withdrawals (for active and deferred contributory members) of the account pending determination of the impact, if any, of the conviction.<sup>3</sup>

### **C. Staff's Review of Information**

Staff will review the information provided by the employer under Section II A and determine what additional information, if any, is needed from the employer, the member

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<sup>2</sup> The Felony Forfeiture Procedures shall not be subject to LACERA's Administrative Appeals Procedures for Retirement Benefits.

<sup>3</sup> If these Procedures conflict with any statutory or case law, the statutory or case law shall govern.

the prosecuting agency to make the required determinations, and/or other sources. Staff is not limited to the criminal record in gathering the information it believes is appropriate. Staff may request the Board to exercise its subpoena power under Government Code section 31535. Staff review may include, but is not limited to, law enforcement investigatory reports; criminal indictments and informations filed; trial transcripts; jury or judicial verdicts; plea agreements; transcripts of plea colloquies, and transcripts of sentencing hearings. This section is intended as a rule of general application. Where the complexity of the case or factual and legal issues dictates, staff's investigation should seek all reasonably available and relevant sources of information.

#### **D. Notice of Initial Determination**

After staff's review, staff will send a Notice of Initial Determination (the "Notice" or "Initial Determination") to the member as to the applicability of the felony forfeiture law to the facts. It is staff's burden to prepare a statement sufficient to show a prima facie case that a conviction of a forfeitable offense has occurred and the basis for determining that portion of benefits to be forfeited. The Notice will include:

1. A copy of this Procedure;
2. A letter explaining the applicability of the felony forfeiture law and, if applicable, an explanation of the impact of the forfeiture on the member's benefits and the applicable proposed actions.
3. An explanation of the facts and law upon which staff relied in making its determination, including copies of all documents relied upon by staff in reaching the conclusions stated in the Initial Determination. Citation should be made in the explanation to appropriate statutory or case law relied upon by staff in reaching its determination.
4. Information about the member's right to appeal the Initial Determination to the Board of Retirement within 30 calendar days of the date of the mailing of the Notice, subject to an extension of up to an additional 30 days that may be granted by staff upon request.

#### **E. Member's Appeal of The Initial Determination**

The appeal shall contain a statement of the facts forming the basis of the appeal and provide copies of documents and other evidence, if any, the member deems relevant to the appeal. Citation should also be made in the appeal to appropriate statutory or case law relied upon by the member in support of their position. The appeal shall be in writing and mailed to the following address: LACERA Legal Office, 300 N. Lake Avenue, Suite 620, Pasadena, CA. 91101.

If the Initial Determination is not timely challenged by the member, within the time limit established above in Section II.D(4), the Initial Determination will be deemed final and

binding and LACERA will implement the felony forfeiture adjustments as indicated in the Notice. Staff will send a letter titled PEPPRA Forfeiture Impact: Notice of Final Determination to the member explaining the applicability of the felony forfeiture law and the impact on the member's benefits.

Counsel advising the staff in preparing the Notice of Initial Determination shall be separate from the counsel advising the Board in a manner consistent with *Morongo Band of Mission Indians v. State Water Resources Control Board*, 45 Cal. 4<sup>th</sup> 731 (2009).

#### **F. Board of Retirement's Determination**

The Board of Retirement will hear a member's timely challenge. Notice of the date and time of the meeting will be provided to the member at least 60 calendar days, unless waived by the member, prior to the Board of Retirement meeting along with any instructions regarding the submission of documents and other evidence as necessary. At the Board hearing, both the member and LACERA staff shall have the opportunity to present argument to the Board of Retirement on the facts and law relevant to the matters under consideration.

The member and staff will have the right to present written evidence and additional written argument relating to issues in the Notice of Initial Determination. All written evidence and non-privileged argument shall be exchanged between the parties at least 30 calendar days prior to the hearing. The sole questions for the Board of Retirement will be whether the conviction constitutes a forfeitable offense and that the portion of the benefit to be forfeited has been correctly calculated based on the date of first commission of a job-related felony.

The matter will be placed on the Board of Retirement's regular public agenda for its review, findings, and decision. The Notice of Initial Determination, Appeal, and any other written argument or evidence provided by the member and staff will be provided to the Board in advance of the hearing. Time for the hearing will be as follows: Member's opening argument for 5 minutes; staff's argument for 5 minutes; and member's reply for 2.5 minutes. No oral testimony will be taken. The Board may ask questions of the member and staff. Counsel for the Board may separately provide a memorandum to the Board providing advice as to the issues raised by the member and staff.

The hearing may be conducted in closed session if it will relate to personal health information. Otherwise, the hearing will be conducted in open session.

In acting upon the member's appeal, the Board may:

1. Affirm the forfeiture as stated in the Initial Determination;
2. Grant the member's appeal, disallowing any forfeiture;



3. Direct that the forfeiture in the Initial Determination be modified;
4. Refer the matter to a referee for hearing and recommendation in accordance with the procedures described in LACERA's *Procedures for Disability Retirement Hearings*; or
5. Take such other action as the Board deems appropriate.

#### **G. Member's Appeal of Board's Decision**

Following the Board hearing and final decision, the Legal Office will provide the member with written notice of the Board's decision setting forth the basis of its decision. If the Board agrees with the Initial Determination, LACERA will implement the adjustments as indicated in the Notice. If the Board modifies the forfeiture, LACERA staff shall implement the adjustments as indicated in the Board's decision. Staff will send the Notice of Final Determination to the member explaining the applicability of the felony forfeiture law and the impact on the member's benefits.

If the member is dissatisfied with the Board's action, the member may obtain judicial review by filing a petition for a writ of mandate in accordance with the appropriate provision of the California Code of Civil Procedure. The written notice of the Board's decision will include information as to the member's right to seek judicial review.

A member's filing of a writ challenging the Board's final determination shall not prevent LACERA from implementing the Board's determination, unless a court orders otherwise.

### **III. ACTIONS TAKEN AFTER THE FORFEITURE OF BENEFITS**

Any refunds returned to the public employee pursuant to Government Code sections 7522.72 and 7522.74 shall be disbursed by electronic funds transfer to an account of the public employee in a manner conforming with the requirements of the Internal Revenue Code, and LACERA shall notify the court and district attorney at least three business days before that disbursement of funds.

If there is a reversal of the conviction, and that decision is final, the member has the option to redeposit the contributions from the forfeited period or recover the forfeited rights and benefits.

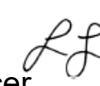


**Adopted:**

**Approved by Board of Retirement:** \_\_\_\_\_, 2022

**FOR INFORMATION ONLY**

December 27, 2021

TO: Operations Oversight Committee  
Shawn R. Kehoe, Chair  
Herman B. Santos, Vice Chair  
Les Robbins  
Vivian H. Gray, Alternate

FROM: Luis Lugo, Deputy Chief Executive Officer   
JJ Popowich, Assistant Executive Officer   
Laura Guglielmo, Assistant Executive Officer 

FOR: January 5, 2022 Operations Oversight Committee Meeting

SUBJECT: **LACERA OPERATIONS BRIEFING**

The purpose of this briefing is to share insights on staff and divisional activities within LACERA's Operations and Administration components. We'll provide updates on goals, including the status of our Strategic Plan Goals and Operations Improvement initiatives. Many of the items highlighted may recur in subsequent briefings or may result in a future comprehensive Operations Oversight Committee (OOC) presentation.

**Update on Our Focus on Strategic Plan Goals and Operations Improvement**

The Workgroups focusing on the top four Strategic Plan goals continue to meet regularly to move our goals forward. Here is a summary of the status of their efforts:

- **Case Management Project Update:** The Case Management System Request for Proposal (RFP) was approved by the Board of Retirement (BOR) on October 6, 2021. The LACERA team published the RFP on lacera.com that same day. On October 29, 2021, LACERA held a virtual vendor conference to provide detailed information to all vendors that had submitted their official intent to respond to the RFP and had signed a Non-Disclosure Agreement. Fifty-five representatives from seventeen companies attended the conference where LACERA technical staff and subject matter experts reviewed the three processes that are included in Phase I of the project, as well as LACERA's Enterprise Pension Administration Architecture. The LACERA team received 13 vendor proposals on November 19, 2021. While we hoped to have the RFP process and vendor selection completed by December 17, 2021, the Case Management team extended the timeline to ensure that there is adequate time to thoroughly review all proposed Case Management solutions. The finalist interviews are now scheduled for January 31, 2022, and vendor selection is scheduled to be completed by February 14, 2022.

- **Retirement Estimate Redesign Project:** The new Retirement Application and Summary is on hold pending the full re-opening of the Member Service Center (MSC). The original plan for the redesigned application, which can best be described as an informative retirement prospectus designed to provide members all the information they need to make an informed decision about their retirement, was to test the document and collect feedback from members that would be used to refine the new document and process before implementation. The team is working on plans to begin testing the new application in the Member Service Center.

Phase II of this project will be to develop the on-line election process. We will set a deadline for the completion of Phase II as we near the end of Phase I.

- **PEPRA Implementation:** This workgroup continues reviewing all the progress made to date on the implementation of the Public Employees' Pension Reform Act of 2013 and subsequent updates passed since then. The Workgroup's focus is to address County payroll code issues with the Auditor-Controller (AC). As you may recall, for LACERA to readily assess what portion of an employee's total compensation is pensionable or not, the payroll code 099 must be further dissected so it is easier to identify the pay codes that are embedded in this code.

There are no new updates to this project as the County is in their year-end "quiet period." On October 15, 2021, LACERA and the AC team met to discuss our request for the County to break apart the 099 pay code so that each pay pensionable earnable pay code is reported to LACERA separately. LACERA was able to provide the AC with a clear explanation of what our challenges are and why we needed the pay codes reported individually. The AC did acknowledge that breaking up this pay code would not be feasible as it is an embedded part of the payroll system architecture. However, we have a commitment from the AC to make some changes to the files that they provide us that may give us some greater insight into changes made to a member's payroll during a pay period. Additionally, the team has agreed to share examples with the AC and work jointly as a team to find solutions. The key takeaway from the meeting is that we continue to work well together and both sides understand that we must be able to calculate the member's pensionable earnings to the penny. The County is currently entering the end of year processing and will not be able to focus on this issue in terms of programming adjustments until mid-January.

There are no new updates on the Workgroup focusing on the redesign of the Annual Benefit Statement (ABS). Our current statement only supports legacy plan members and is not supported for PEPRA members. Considerable progress was already made on the redesign efforts by the Communications team. We are working to get a better timeline when we can bring an RFP to the Operations Oversight Committee.

## **Progress Update on the “100-Day Management Report to the Trustees of the Board of Retirement and Board of Investments”:**

This section will discuss some of the efforts in place to move forward on the recommendations in the 100-Day report. It may not address all progress but will focus on certain goals.

### **Communications: LACERA.com Statistics and User Analytics**

In the months since the new LACERA.com launched, we have seen a tremendous amount of traffic and positive user feedback as members have more quickly and efficiently found the help and information they need. There has been a slight decline in new and average visitors during the most recent period compared to earlier months, but we should expect lower numbers during the winter holidays and because there will be fewer “new” visitors over time. Below are supporting statistics.

#### **Jump in User Traffic**

<b>First Time Visitors</b>	<b>Traffic</b>	<b>Average Visitors</b>	<b>Traffic</b>
October	34,765	October	1,299
September	29,259	September	1,146
November	25,269	November	1,031
Total	89,293	Average	1,159

The most visitors we received on any day in the last month was 2,410 on November 3. There were moderate declines over the Thanksgiving Holiday, but this is considered normal.

In November, we had a total of 128,150 page views, the search function was used 4,903 times, and 1,506 people visited the sign-up page for My LACERA. All of these numbers are consistent with previous months, demonstrating the stability of our user-base and platform.

Below are the top five pages from the month of November.

#### **Top Five LACERA.com Page Views**

<b>LACERA Pages</b>	<b>Views</b>
Home Page	43,574
Retiree Listings	2,832
Board Meetings	2,049
Plan D   Calculating Your Retirement Allowance	1,812
Retirement Planning	1,594

In addition, we are watching what people visiting our home page click on and how their experience progresses. For example, there are six tiles on the home page and five “I Would Like To” items on a drop-down menu. Here is a breakdown on what people are clicking on from the home page:

#### Home page Tile Views

LACERA Pages	Views
My LACERA	1,506
Pre-Retirement Workshops	1,051
Careers	998
Investments	800
Annual Reports	666
Forms & Publications	129

#### Home page “I Would Like To” Views

LACERA Pages	Views
View Board Meetings	2,049
Plan My Retirement	1,594
Make an Appointment	1,261
Access My Plan Center	999
Apply for Disability	440

### Update on Other Projects

Our goal is to continue to keep the Committee updated on other cross-functional teams that are working hard to provide improvements to LACERA’s operations and the services we provide to our members.

- **COLA Bank Retroactive Changes**

In April of 2021 the Board of Retirement approved corrections to the COLA Accumulation Bank, which involved making retroactive corrections, recalculating benefit allowance amounts, and paying members retroactive benefits due to a discrepancy discovered in the COLA Accumulation bank. The first phase has been completed and members received their retroactive payments on July 15, 2021, via Direct Deposit.

The second phase of cases was completed, and members were notified of the retroactive payments in early September and payments were issued September 15<sup>th</sup>. The third phase of the project has been completed: 312 survivors of members who passed away prior to the COLA Accumulation Bank correction were paid a retroactive benefit owed to the deceased member. The retroactive payment was paid to the survivor via special one-time payment and was paid on November 15, 2021.

To date, LACERA has paid out just over \$3.7 million in retroactive COLA earnings. Of the 9,672 member and survivor accounts affected, 8,178 accounts have been systematically resolved, which represent all members and survivors currently in a pay status. The manual phase of the project, which includes 1,494 cases, began on December 16, 2021. Staff have begun manually computing COLAs and will begin making payments to members starting the second week of January 2022 and the amount paid and number of accounts completed will be reflected on the February 2, 2022 Operation Oversight Committee briefing.

<b>COLA Retro Project - Status as of 11/17/2021:</b>	<b>Last Report 9/10/2021</b>		<b>Current Report 11/17/2021</b>	
<b>Row Labels (Type, Status, Detail, Outstanding)</b>	<b>Count</b>	<b>%</b>	<b>Count</b>	<b>%</b>
<b>Completed</b>				
<b>(Member Paid - No Further Action Required)</b>	7,864	81%	8,178	85%
<b>First Notification Sent</b>				
<b>(Still Processing - Not Paid)</b>	822	9%	508	5%
<b>Active Payee - Member</b>	439	5%	439	5%
Paying Split	206		206	
<b>Active Payee - Survivor</b>	383	4%	69	1%
Paying Split	9		9	
<b>Pending Notification</b>				
<b>(Staff is Reviewing and Processing)</b>	986	10%	986	10%
<b>No Active Payees (Deceased)</b>	726	7%	726	7%
<b>Active Payee - Member</b>	145	2%	145	2%
Paying Split	3		3	
<b>Active Payee - Survivor</b>	115	1%	115	1%
Paying Split	6		6	
<b>Grand Total</b>	<b>9,672</b>	<b>100%</b>	<b>9,672</b>	<b>100%</b>

As we discussed previously, we will be shifting focus from the COLA project to the Alameda Project. We will focus on the remaining cases in the COLA project once we have addressed the Alameda Project. By way of a reminder, this decision was made to limit the amount of overpayments and associated interest that may have to be collected from some Alameda impacted members.

- **Alameda Project Update:** In 2020, the California Supreme Court issued its decision in the Alameda County Deputy Sheriff's Association v. Alameda County Employees Retirement Association ("Alameda") challenging the constitutionality of changes passed in 2013 Assembly Bill 197, which amended the definition of compensation earnable, specifically excluding pay items previously included such

as unused vacation, termination pay, in-kind payments, and payments for services rendered outside of normal working hours. The Court upheld constitutionality of the Legislature's actions. In February of 2021, the Legal Office notified the Board of Retirement that it had completed an initial review of LACERA legacy pay codes and determined that Standby Pay did not meet the expanded understanding of compensation earnable because of the Alameda Case. It was also determined that LACERA would have to modify any member records where members had paid contributions on these earnings on or after January 1, 2013, resulting in refunds of contributions to members. Additionally, changes would be made to any members who retired on or after January 1, 2013, if their FAC included earnings for these pay codes. These members would have their benefits adjusted prospectively from the August 30, 2020, Supreme Court decision.

The team working on this project have identified five groups of members who will be impacted by this project. We have created the chart below to keep you up to date on the progress of this project:

<b>Alameda Project Status</b>		Current Report 12/21/2021	
Row Labels (Type, Status, Detail, Outstanding)		Count	%
<b>Pending Notification</b> (Staff is Reviewing and Processing)		4,253	
<b>Active</b> <b>Retired</b> <i>Legal Split</i> <b>Deferred/Inactive</b> <b>Deceased</b> <b>Withdrawn</b>	<b>Active</b>	<b>3,078</b>	<b>72%</b>
	<b>Retired</b>	<b>847</b>	<b>20%</b>
	<i>Legal Split</i>	-	<b>0%</b>
	<b>Deferred/Inactive</b>	219	<b>5%</b>
	<b>Deceased</b>	<b>53</b>	<b>1%</b>
	<b>Withdrawn</b>	56	<b>1%</b>
<b>Notification Sent</b>		-	
<b>Active</b> <b>Retired</b> <i>Legal Split</i> <b>Deferred/Inactive</b> <b>Deceased</b> <b>Withdrawn</b>	<b>Active</b>	-	<b>0%</b>
	<b>Retired</b>	-	<b>0%</b>
	<i>Legal Split</i>	-	<b>0%</b>
	<b>Deferred/Inactive</b>	-	<b>0%</b>
	<b>Deceased</b>	-	<b>0%</b>
	<b>Withdrawn</b>	-	<b>0%</b>
<b>Completed (Member Scheduled)</b>	<b>Paid/Collection</b>		
<b>Grand Total</b>		4,253	100%

The team will begin by processing the active member category first. All but 100 members, who have contracts and other unique issues with their accounts, are scheduled to be sent a notification in January about the impacts to their accounts.

- **CORE Benefits Training Class Preparation:** This 10-month series of courses is the key first step to training staff to fill the large number of vacant positions we have in Benefits and Member Services. Due to the pandemic, we were unable to hire a class in 2020, which has placed us in a significant staffing deficit. LACERA has made 26 offers, of which 22 were accepted. These 22 are in the process of background validation. As shared previously, the plan was to hire a class of 24-30, which would have made this the largest class we have ever attempted to train. We had reported that we expected to bring these new hires on in two waves with the first class beginning December 1, 2021 and then a second class on January 3, 2022. Given some logistical issues and some delays in the background check process, we will be extending the start of the new class to January 3, 2022 and the second class on February 1, 2022.
- **Retroactive Payroll Adjustments:** We have reported over the last year about our ongoing efforts surrounding retroactive payroll adjustments and ensuring that the correct contributions are taken at the time the adjustments are made. You may recall that we reported the County Auditor-Controller was not deducting contributions from most retroactive adjustments. We brought this to the Auditor-Controller's attention and, as we reported a few months ago, they made changes to their process and are updating their programming to ensure that contributions are taken from retroactive payroll adjustments. These changes took place in mid-2021. We recently tested retroactive payroll adjustments for a recent pay period and confirmed that the process changes and updates the Auditor-Controller made are working and contributions are being deducted from retroactive adjustments. We plan on randomly testing a few more months of payroll data and then will move to an annual test to ensure that the contributions continue to be deducted.

The next related project is looking at a large backlog of previously identified retroactive payroll adjustments that have been identified over the last few years. We will share our proposed plan for addressing these shortly.

- **Information Systems:** Our Systems division continues to engage in various process improvement projects and initiatives aimed at securing our network, data, application, and overall system infrastructure. Three current initiatives led by Systems include:
  - **Microsoft Dynamics Great Plains (GP) Hosting Project** – Approved in the Fiscal Year 2020-21 budget adjustments by the BOR, the Systems Division began working with Argus Systems and Data Resolution to migrate LACERA's legacy Microsoft Dynamics GP application to a hosted solution.

On November 10, 2021, LACERA's legacy Microsoft Dynamics GP application was successfully migrated to a privately hosted solution. The planning, migration, and acceptance testing went smoothly under the direction of Cookie Jaranilla. This migration will ensure the stability of LACERA's mission critical application until LACERA completes the transition to a more modern solution.



in three years. Also, the migration will provide LACERA an improved disaster recovery solution that decreases both downtime and data loss.

- **Information Technology (IT) Service Management Improvement Project** – Approved in the Fiscal Year 2020-21 budget adjustments by the BOR, the Systems Division selected ServiceNow, a cloud-based IT service management tool, to improve how the division manages IT incidents, problems, requests, and knowledge. Phase I of the ServiceNow implementation will provide automation and tracking for all requests coming into the Systems Helpdesk. Future phases of the project will introduce hardware asset management as well as sophisticated automation for routine IT requests.

As of December 15, 2021, the initial configuration of ServiceNow has been completed, LACERA's production instance of ServiceNow is up and running, a soft rollout to all Systems staff members has been completed, the PMO has transitioned the ownership of the ServiceNow application to the Systems Infrastructure Team, and the Systems Infrastructure Team has completed the automation of approval workflows. The infrastructure team, under the direction of Summy Voong, will provide operational support for ServiceNow going forward. The next steps include a soft rollout to selected LACERA staff members and finally, a soft rollout to all LACERA staff members. We expect Phase I of the project to be completed by the end of January 2022.

- **Enterprise WiFi Project** – Approved in the Fiscal Year 2020-21 budget adjustments by the BOR, the Systems Division is currently installing an enterprise WiFi network.

As of December 15, 2021, the fiber, cables, access points, and switches have been installed on all LACERA floors. We are still waiting on the delivery of switches for our data center. We expect to receive them in December, configure and test our segmented networks in early January, and to complete the project by the end of January 2022.

- **Administrative Services Division:** Our Administrative Services is a support division consisting of the Budget Unit; the Document Processing Center; the Procurement Unit, including Purchasing, Facilities, and Renovations; and the Risk Management Unit, which includes Business Continuity, Business Insurance, Contract Management, Health and Safety, and Records Management. Over the last month the division has led and supported the following initiatives:
  - The Budget Unit has presented the Mid-Year Budget Amendment to both Boards in December, which was successfully adopted. The Budget Unit has released instructions for the 2022/23 proposed budget and is coordinating with and assisting Division Managers to assess their needs.

- The Facilities Unit has initiated the 7th-floor renovation project which will focus on enhancements to the Systems Division and Accounting Division suite. The project is expected to be completed by June 30, 2022.
- The Business Continuity Team has successfully conducted a cross-functional tabletop exercise that challenged staff to respond to several situational injects that targeted LACERA's primary responsibility, member payroll. The team will provide a briefing of the exercise and results to the OOC in February.
- The Health and Safety Unit continues to conduct weekly COVID-19 health and safety inspections to identify potential hazards related to COVID-19 and ensure adherence to all state and federal health and safety laws and requirements. This last quarter, there have been no COVID-19 safety hazards identified during the inspections. They will soon provide COVID-19 safety protocol training to all Floor Wardens in preparation for staff returning to the building.
- **Financial and Accounting Services Division** applies sound controls, accounting standards, and compliance with regulatory and statutory financial reporting mandates to LACERA's assets, member payroll, and organization-wide financial transactions.
  - *Financial Statement Preparation:* The Government Code requires that LACERA prepare annual financial statements (AFS), obtain an external audit opinion of such, and transmit these statements to the plan sponsor (i.e., Los Angeles County). The fiscal year ended June 30, 2021 financial statements have been completed. Staff issued the audited AFS to the County by the required deadline and are reviewing proofs of the Annual Comprehensive Financial Report (ACFR) prepared by the Communications Division. Staff completed their review of the Popular Annual Financial Report (PAFR) which was provided to all members with the December newsletters.
  - *Actuarial Valuation Reports:* The Government Code requires that valuations of the Pension Plan be performed at least once every three years. The Board of Investment's 2013 Retirement Benefit Funding Policy requires more frequent valuations which are set to be completed annually. These reports are prepared to determine employer and employee contribution rates and to measure the funded status of the Pension Plan. In addition, the valuation report provides information that is used to prepare the Governmental Accounting Standards Board (GASB) Statement Number 67 financial statement reports. Plan sponsors use the GASB reports to obtain information required for their financial statement disclosures.

The annual retirement benefits valuation report is completed by Milliman, LACERA's consulting actuary. The June 30, 2021 valuation report was

accepted at the December Board of Investments meeting. The Board of Investments also adopted recommended employer contribution rates for all plan tiers and employee contribution rates for PEPRA plans, General Plan G and Safety Plan C. Staff is working with the Los Angeles County Chief Executive Office to communicate the results of the June 30, 2021 valuation to the Board of Supervisors with a recommendation that the County implement the employer and employee rates no later than September 29, 2022.

- *Citrix Hosted Great Plains:* LACERA has used the on-premise accounting software, Microsoft Great Plains, for over two decades. In a joint effort with Systems and Administrative Services staff which was initiated about one year ago, FASD successfully migrated its accounting software to a hosted environment. Staff can access the accounting system remotely using an internet browser through a secure connection. This new service eliminates reliance on the physical workstations and servers located at LACERA which helps reduce the risk of inoperability in the event of a disaster in the Los Angeles region.
- *Travel/Expense/P2P Software:* LACERA has procured “Certify” software created by Emburse, an expense management and accounts payable automation provider. Staff is currently implementing the Certify travel and expense report management software and is working with Certify representatives to implement features such as travel booking, receipt capture, expense linking, streamlined workflow approval, as well as a streamlined procurement and payables process that leverages optimized character recognition to reduce manual data entry. With Certify, LACERA may also begin making payments via ACH or virtual credit card to vendors. This implementation project strategically aligns with Systems’ goal of upgrading the technology of the organization and will replace the manual processes and controls with the latest technology.
- *Custodian Search:* In accordance with LACERA’s Procurement Policy, vendor contracts for investment and custodian services, and commercial banking services must be re-bid every ten years. LACERA’s current custodian, State Street Bank, was hired in July 2013. FASD is working closely with the Investment Office to conduct a formal request for proposal (RFP) process. The Board of Investments approved the minimum qualifications at their December meeting. In preparing the RFP, staff are charged with developing questions pertaining to investment accounting and banking services, seeking additional information from potential vendors. Staff will continue to collaborate with the Investment Office as this process evolves.

Attachments:

Public Records Request Update

Report of Felony Forfeiture Cases Processed

DATE RECEIVED	REQUESTER	DOCS REQUESTED
12-21-20	D. Wells,  Law offices of Gregory W. Smith	<p>Requested 14 categories of records, including operations of LACERA, and hiring of employees and vendors.</p> <p>Request 11 - All video recordings and audio recordings of the April 9<sup>th</sup>, 2020, Board of Retirement meeting; the June 3<sup>rd</sup>, 2020, Board of Retirement meeting; and the June 25<sup>th</sup>, 2020, Audit Committee meeting.</p> <p><b><i>On December 21<sup>st</sup>, 2020, sent the links to video and audio of the June 3<sup>rd</sup>, 2020, Board of Retirement meeting, and the June 25<sup>th</sup>, 2020, Audit Committee meeting.</i></b></p> <p><b><i>On December 28<sup>th</sup>, 31<sup>st</sup>, 2020, and on January 11<sup>th</sup>, 2021, sent a DVD of the April 9, 2020, Board of Retirement meeting via FedEx Standard Overnight Delivery.</i></b></p> <p>Request 10 - Requested information regarding Udemmy contract.</p> <p><b><i>On January 15<sup>th</sup>, 2021, sent one (1) set of responsive documents.</i></b></p> <p>Request 9 - Requested information regarding Eagle Leadership contract.</p> <p><b><i>On January 22<sup>nd</sup>, 2021, sent one (1) set of responsive documents.</i></b></p> <p>Request 8 - Requested information regarding KH Consulting contract.</p> <p><b><i>On February 1<sup>st</sup>, 2021, sent one (1) set of responsive documents.</i></b></p> <p>Request 7 - Requested information regarding TransQuest contract.</p> <p><b><i>On February 2<sup>nd</sup>, 2021, sent one (1) set of responsive documents.</i></b></p> <p>Request 1 - Requested Systems related communications by CEO Santos R. Kreimann.</p> <p><b><i>On February 8<sup>th</sup>, 2021, sent one (1) set of responsive documents.</i></b></p> <p>Request 3 - Requested documents regarding hiring of Celso Templo.</p> <p><b><i>On February 8<sup>th</sup>, 2021, sent 11 sets of responsive documents.</i></b></p> <p>Time extension to the production of documents.</p> <p>Requests 2, 4-6, and 12-14 remain outstanding.</p> <p><b><i>On February 16<sup>th</sup>, 2021, sent one (1) responsive letter regarding extension of time and summary of production status via email.</i></b></p> <p>Request 2 - Requested documents and communications between CEO Santos R. Kreimann and Celso Templo.</p> <p><b><i>On February 26<sup>th</sup>, 2021, sent six (6) sets of responsive documents.</i></b></p> <p>Request 14 - Requested documents and communications sent or received by Carly Ntoya regarding James Brekk.</p> <p><b><i>On March 1<sup>st</sup>, 2021, sent one (1) set of responsive documents.</i></b></p>

DATE RECEIVED	REQUESTER	DOCS REQUESTED
		<p>Request 3 - Requested documents regarding hiring of Celso Templo.</p> <p><b><i>On March 1<sup>st</sup>, 2021, sent one (1) additional set of responsive documents.</i></b></p> <p>Request 13 - Requested documents and communications sent or received by Celso Templo regarding James Brekk.</p> <p><b><i>On March 2<sup>nd</sup>, 2021, sent two (2) additional sets of responsive documents.</i></b></p> <p>Time extension to the production of documents.</p> <p>Requests 4-6, and 12 remain outstanding.</p> <p><b><i>On March 2<sup>nd</sup>, 2021, sent one (1) responsive letter regarding extension of time and summary of production status via email.</i></b></p> <p>Time extension to the production of documents.</p> <p>Requests 4-6, and 12 remain outstanding.</p> <p><b><i>On March 15<sup>th</sup>, 2021, sent one (1) responsive letter regarding extension of time and summary of production status via email.</i></b></p> <p>Request 4 - Requested Systems related communications by or to Celso Templo.</p> <p><b><i>On March 19<sup>th</sup>, 2021, sent one (1) set of responsive documents.</i></b></p> <p>Time extension to the production of documents.</p> <p>Requests 5, 6, and 12 remain outstanding.</p> <p><b><i>On March 31<sup>st</sup>, 2021, sent one (1) responsive letter regarding extension of time and summary of production status via email.</i></b></p> <p><b><i>On June 4<sup>th</sup>, 2021, sent one (1) responsive letter regarding extension of time and summary of production status via email.</i></b></p> <p><b><i>On June 30<sup>th</sup>, 2021, sent one (1) responsive letter regarding extension of time and summary of production status via email.</i></b></p> <p>Request 6 – Requested all documents and communications by Celso Templo regarding information technology vendor solicitation process.</p> <p><b><i>On July 7<sup>th</sup>, 2021, sent 1,400 responsive documents.</i></b></p> <p>Request 2 - Requested documents and communications between CEO Santos R. Kreimann and Celso Templo.</p> <p><b><i>On October 7<sup>th</sup>, 2021, sent additional responsive documents to September 27<sup>th</sup>, 2021, letter via email.</i></b></p> <p>Request 7 - Requested documents and communications related to Transquest.</p>

DATE RECEIVED	REQUESTER	DOCS REQUESTED
		<p><i>On October 27<sup>th</sup>, 2021, sent one (1) letter and eight (8) responsive sets of documents via email.</i></p> <p><i>On November 3<sup>rd</sup>, 2021, sent one (1) additional letter and one (1) supplemental responsive set of documents via email.</i></p> <p><i>On December 10<sup>th</sup>, 2021, sent additional letter and one (1) supplemental responsive set of documents via email.</i></p>
09-23-21	S. Leavins	<p>Requested information re policy as to a member's disability retirement, investigations, return to work, and determinations.</p> <p><i>On September 28<sup>th</sup>, 2021, sent one (1) responsive email.</i></p> <p><i>On October 12<sup>th</sup>, 2021, sent one (1) responsive email to requester's follow-up questions.</i></p> <p><i>On November 5<sup>th</sup>, 2021, sent one (1) additional responsive email with two (2) documents.</i></p> <p><i>On November 22<sup>nd</sup>, 2021, sent additional response email with one (1) document.</i></p> <p><i>On December 10<sup>th</sup>, 2021, sent email with 2 additional documents.</i></p>
10-29-21	FOIA Data Collection Team	<p>Request re Alternative Portfolio information.</p> <p><i>On November 10<sup>th</sup>, 2021, sent one response email.</i></p> <p><i>On November 22<sup>nd</sup>, 2021, sent one response email.</i></p> <p><i>On December 7<sup>th</sup>, 2021, sent additional email with two (2) responsive documents.</i></p>
11-03-21	A. Tandon, CRR PlaninFo	<p>Requests Pension Fund's (a) full equity list and (b) proxy voting guidelines.</p> <p><i>On November 5<sup>th</sup>, 2021, sent (3) three documents via email.</i></p> <p><i>On November 15<sup>th</sup>, 2021, sent (9) nine documents via email.</i></p>
11-08-21	Sayas, V., Fundmap	Requests investment/board meeting packs.
11-09-21	Willmer, S., Bloomberg News	<p>Requests total fund expenses LACERA paid to Private equity managers annually 2017-2021.</p> <p>On December 1st, 2021, email response.</p>
11-15-21	S. Chinchilla, Abrolat Law	Request seeking documents related to PIMCO's representations about its workforce demographics.
11-18-21	S. Kemble , With Intelligence	Request relating to Performance of all hedge funds/absolute return funds for Q4 2020, Q1 2021 and Q2 2021.
11-22-21	V. Sayas, With Intelligence	Requests full meeting packets from investment/ board meeting held 11-18-21.
11-23-21	B. Campbell, With Intelligence	Requests records relating to Revelstoke Capital Partners.
11-23-21	V. Sayas, With Intelligence	Requests meeting packets re investment/board meeting held 11-17-21.

DATE RECEIVED	REQUESTER	DOCS REQUESTED
12-6-21	B. Giacobone Ion Group	Requests information re 11/23/21 Jim Rice Investments in Partners Group Direct Infrastructure 2020 LP
12-8-21	J. Gittelsohn Bloomberg News	Requests latest report on private investments aka alternative investment vehicles.
12-9-21	T. Martinez	Requests compensation report for 2020-21. On December 9 <sup>th</sup> , 2021, sent email requesting further information. On December 14 <sup>th</sup> , 2021, sent email confirming cancellation of request. Withdrawn by requestor 12/14/2021

**REPORT OF FELONY FORFEITURE CASES PROCESSED**

**December 30, 2021**

#	MEMBER'S LAST NAME	MEMBER'S FIRST NAME	DEPT.	CONVICTION DATE	LACERA NOTIFIED	INITIAL IMPACT NOTICE SENT	FINAL IMPACT NOTICE SENT	FINAL STATUS	DISABILITY STATUS	SERV. LEVEL
59	GONZALEZ	PAUL	PARKS	10/19/2021	11/4/2021			PEND		
58	BOUNDY	TIMOTHY	PROBATION	7/27/2021	8/24/2021	10/21/2021	10/21/2021	Withdrawn		58
57	ANTRIM	MARC	LASD	4/1/2021	5/12/2021			PEND		
56	BERK	MICHAEL	LASD	2/24/2021	4/14/2021			PEND		
55	FISK	JUSTIN	LASD	2/24/2021	4/14/2021			PEND		