



pennsylvania
PUBLIC SCHOOL EMPLOYEES'
RETIREMENT SYSTEM

June 25, 2015

RE: Request for Proposal – PSERS RFP 2015-5

You are invited to submit a proposal to the Pennsylvania Public School Employees' Retirement System (PSERS) in accordance with the enclosed specifications for Proxy Research and Voting Services.

All proposals must be submitted in the number of copies outlined in Section I-12 of the RFP to PSERS, Attention: Terrienne Mirarchi, 5 North 5th Street, Harrisburg, PA 17101. Proposals must be received at the above address no later than 1:30 PM, September 3, 2015. Late proposals will not be considered regardless of the reason.

All questions should be submitted by email (with subject line "PSERS RFP 2015-2 Question") to Lenann Engler at lengler@state.pa.us no later than July 17, 2015. All Offerors will be provided with answers to questions asked by any one Offeror.

Thank you.

Sincerely,

A handwritten signature in black ink that reads 'Terrienne P. Mirarchi'. The signature is written in a cursive style.

Terrienne P. Mirarchi
Purchasing and Contracting Manager

**REQUEST FOR PROPOSALS FOR
PROXY RESEARCH AND VOTING SERVICES**

ISSUING OFFICE

**Commonwealth of Pennsylvania
Public School Employees' Retirement System (PSERS)
5 North 5th Street
Harrisburg, PA 17101-1905**

RFP NUMBER

PSERS RFP 2015-5

DATE OF ISSUANCE

June 2015

**REQUEST FOR PROPOSALS FOR
Proxy Research and Voting Services**

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CALENDAR OF EVENTS

The Commonwealth will make every effort to adhere to the following schedule:

Activity	Responsibility	Date
Deadline to submit Questions via email to Lengler@pa.gov	Potential Offerors	July 17, 2015
Pre-proposal Conference—Location.	Issuing Office/Potential Offerors	None
Answers to Potential Offeror questions posted to the DGS website (http://www.dgsweb.state.pa.us/RTA/Search.aspx) no later than this date.	Issuing Office	July 31, 2015
Please monitor website for all communications regarding the RFP.	Potential Offerors	
Sealed proposal must be received by the Issuing Office at: Public School Employees' Retirement System ATTN: Terrienne Mirarchi 5 N 5 th Street Harrisburg, PA 17101	Offerors	September 3, 2015

PART I

GENERAL INFORMATION

I-1. Purpose. This request for proposals (RFP) provides to those interested in submitting proposals for the subject procurement (“Offerors”) sufficient information to enable them to prepare and submit proposals for the Commonwealth of Pennsylvania, Public School Employees’ Retirement System’s (“PSERS”) consideration on behalf of the Commonwealth of Pennsylvania (“Commonwealth”) to satisfy a need for Proxy Research and Voting Services (“Project”).

I-2. Issuing Office. PSERS (“Issuing Office”) has issued this RFP on behalf of the Commonwealth. The sole point of contact in the Commonwealth for this RFP shall be Lenann T. Engler, Senior Investment Professional, PSERS, 5 North 5th Street, Harrisburg, PA 17101, Lengler@pa.gov the Issuing Officer for this RFP. Please refer all inquiries to the Issuing Officer.

I-3. Scope. This RFP contains instructions governing the requested proposals, including the requirements for the information and material to be included; a description of the service to be provided; requirements which Offerors must meet to be eligible for consideration; general evaluation criteria; and other requirements specific to this RFP.

I-4. Problem Statement. The purpose of this RFP is to solicit proposals from one or more qualified firms to provide complete Proxy Research and Voting Services. This includes but is not limited to (1) Proxy Policy Development – proxy policy development and consulting services to assist PSERS with the review and development of PSERS’ proxy voting policy; (2) Proxy Research and Voting – proxy research, analysis, recommendation, and voting services; and (3) Proxy Vote Disclosure services. Additional detail is provided in **Part IV** of this RFP.

I-5. Type of Contract. It is proposed that if the Issuing Office enters into a contract as a result of this RFP, it will be a five-year fee for service based purchase order containing the Standard Contract Terms and Conditions as shown in **Appendix B** and available at <http://www.dgsweb.state.pa.us/comod/CurrentForms/BOP-1203.doc>. The Issuing Office, in its sole discretion, may undertake negotiations with Offerors whose proposals, in the judgment of the Issuing Office, show them to be qualified, responsible and capable of performing the Project.

I-6. Rejection of Proposals. The Issuing Office reserves the right, in its sole and complete discretion, to reject any proposal received as a result of this RFP.

I-7. Incurring Costs. The Issuing Office is not liable for any costs the Offeror incurs in preparation and submission of its proposal, in participating in the RFP process or in anticipation of award of the contract.

I-8. Pre-proposal Conference. There will be no Pre-proposal conference for this RFP. If there are any questions, please forward them to the Issuing Officer in accordance with **Section I-9**.

I-9. Questions & Answers. If an Offeror has any questions regarding this RFP, the Offeror must submit the questions by email (**with the subject line “RFP PSERS RFP 2015-5 Question”**) to the Issuing Officer named in **Part I, Section I-2** of the RFP. If the Offeror has questions, they must be submitted via email **no later than** the date indicated on the Calendar of Events. The Offeror shall not attempt to contact the Issuing Officer by any other means. The Issuing Officer shall post the answers to the questions on the DGS website by the date stated on the Calendar of Events. An Offeror who submits a question *after* the deadline date for receipt of questions indicated on the Calendar of Events assumes the risk that its proposal will not be responsive or competitive because the Commonwealth is not able to respond before the proposal receipt date or in sufficient time for the Offeror to prepare a responsive or competitive proposal. When submitted after the deadline date for receipt of questions indicated on the Calendar of Events, the Issuing Officer *may* respond to questions of an administrative nature by directing the questioning Offeror to specific provisions in the RFP. To the extent that the Issuing Office decides to respond to a non-administrative question *after* the deadline date for receipt of questions indicated on the Calendar of Events, the answer must be provided to all Offerors through an addendum.

All questions and responses as posted on the DGS website are considered as an addendum to, and part of, this RFP in accordance with RFP **Part I, Section I-10**. Each Offeror shall be responsible to monitor the DGS website for new or revised RFP information. The Issuing Office shall not be bound by any verbal information nor shall it be bound by any written information that is not either contained within the RFP or formally issued as an addendum by the Issuing Office. The Issuing Office does not consider questions to be a protest of the specifications or of the solicitation. The required protest process for Commonwealth procurements is described on the DGS website <http://www.dgs.state.pa.us/procurement/cwp/view.asp?=3&Q=1246&PM-1>.

I-10. Addenda to the RFP. If the Issuing Office deems it necessary to revise any part of this RFP before the proposal response date, the Issuing Office will post an addendum to the DGS website at <http://www.dgsweb.state.pa.us/RTA/Search.aspx>. It is the Offeror’s responsibility to periodically check the website for any new information or addenda to the RFP. Answers to the questions asked during the Questions & Answers period also will be posted to the website as an addendum to the RFP.

I-11. Response Date. To be considered for selection, hard copies of proposals must arrive at the Issuing Office on or before the time and date specified in the RFP Calendar of Events. The Issuing Office will **not** accept proposals via email or facsimile transmission. Offerors who send proposals by mail or other delivery service should allow sufficient delivery time to ensure timely receipt of their proposals. If, due to inclement weather, natural disaster, or any other cause, the Commonwealth office location to which proposals are to be returned is closed on the proposal response date, the deadline for submission will be automatically extended until the next Commonwealth business day on which the office is open, unless the Issuing Office otherwise

notifies Offerors. The hour for submission of proposals shall remain the same. The Issuing Office will reject, unopened, any late proposals.

I-12. Proposals. To be considered, Offerors should submit a complete response to this RFP to the Issuing Office, using the format provided in **Part II**, providing **15 paper copies [one marked “ORIGINAL”] of the Technical Submittal and one (1) paper copy of the Cost Submittal and two (2) paper copies of the Small Diverse Business (SDB) participation submittal.** In addition to the paper copies of the proposal, Offerors shall submit one **complete and exact** copy of the entire proposal (Technical, Cost and SDB submittals, along with all requested documents) on CD-ROM or Flash drive in Microsoft Office or Microsoft Office-compatible format. The electronic copy must be a mirror image of the paper copy and any spreadsheets must be in Microsoft Excel. The Offerors may not lock or protect any cells or tabs. Offerors should ensure that there is no costing information in the technical submittal. Offerors should not reiterate technical information in the cost submittal. The CD or Flash drive should clearly identify the Offeror and include the name and version number of the virus scanning software that was used to scan the CD or Flash drive before it was submitted. The Offeror shall make no other distribution of its proposal to any other Offeror or Commonwealth official or Commonwealth consultant. Each proposal page should be numbered for ease of reference. An official authorized to bind the Offeror to its provisions must sign the proposal. If the official signs the Proposal Cover Sheet (Appendix F to this RFP) and the Proposal Cover Sheet is attached to the Offeror’s proposal, the requirement will be met. For this RFP, the proposal must remain valid for 120 days or until a contract is fully executed. If the Issuing Office selects the Offeror’s proposal for award, the contents of the selected Offeror’s proposal will become, except to the extent the contents are changed through Best and Final Offers or negotiations, contractual obligations.

Each Offeror submitting a proposal specifically waives any right to withdraw or modify it, except that the Offeror may withdraw its proposal by written notice received at the Issuing Office’s address for proposal delivery prior to the exact hour and date specified for proposal receipt. An Offeror or its authorized representative may withdraw its proposal in person prior to the exact hour and date set for proposal receipt, provided the withdrawing person provides appropriate identification and signs a receipt for the proposal. An Offeror may modify its submitted proposal prior to the exact hour and date set for proposal receipt only by submitting a new sealed proposal or sealed modification which complies with the RFP requirements.

I-13. Small Diverse Business Information. The Issuing Office encourages participation by small diverse businesses as prime contractors, and encourages all prime contractors to make a significant commitment to use small diverse businesses as subcontractors and suppliers.

A Small Diverse Business is a DGS-verified minority-owned business, woman-owned business, veteran-owned business or service-disabled veteran-owned business.

A small business is a business in the United States which is independently owned, not dominant in its field of operation, employs no more than 100 full-time or full-time equivalent employees, and earns less than \$7 million in gross annual revenues for building design, \$20 million in gross

annual revenues for sales and services and \$25 million in gross annual revenues for those businesses in the information technology sales or service business.

Questions regarding this Program can be directed to:

Department of General Services
Bureau of Small Business Opportunities
Room 611, North Office Building
Harrisburg, PA 17125
Phone: (717) 783-3119
Fax: (717) 787-7052
Email: gs-bsbo@pa.gov
Website: www.dgs.state.pa.us

The Department's directory of BSBO-verified minority, women, veteran and service disabled veteran-owned businesses can be accessed from: [Searching for Small Diverse Businesses](#).

I-14. Economy of Preparation. Offerors should prepare proposals simply and economically, providing a straightforward, concise description of the Offeror's ability to meet the requirements of the RFP.

I-15. Alternate Proposals. The Issuing Office has identified the basic approach to meeting its requirements, allowing Offerors to be creative and propose their best solution to meeting these requirements. The Issuing Office will not accept alternate proposals.

I-16. Discussions for Clarification. Offerors may be required to make an oral or written clarification of their proposals to the Issuing Office to ensure thorough mutual understanding and Offeror responsiveness to the solicitation requirements. The Issuing Office will initiate requests for clarification. Clarifications may occur at any stage of the evaluation and selection process prior to contract execution.

I-17. Prime Contractor Responsibilities. The contract will require the selected Offeror to assume responsibility for all services offered in its proposal whether it produces them itself or by subcontract. The Issuing Office will consider the selected Offeror to be the sole point of contact with regard to contractual matters.

I-18. Proposal Contents.

- A. Confidential Information. The Commonwealth is not requesting, and does not require, confidential proprietary information or trade secrets to be included as part of Offerors' submissions in order to evaluate proposals submitted in response to this RFP. Accordingly, except as provided herein, Offerors should not label proposal submissions as confidential or proprietary or trade secret protected. Any Offeror who determines that it must divulge such information as part of its proposal must submit the signed written statement described in subsection c. below and must additionally provide a

redacted version of its proposal on CD, which removes only the confidential proprietary information and trade secrets, for required public disclosure purposes. The CD should clearly identify the Offeror, note that it is a redacted copy and include the name and version number of the virus scanning software used to scan the CD before it was submitted. *If a written statement and redacted version of the proposal is not submitted at the time of the proposal submission, the proposal will be subject to release as submitted with only the financial capability redacted.*

- B. Commonwealth Use. All material submitted with the proposal shall be considered the property of the Commonwealth of Pennsylvania and may be returned only at the Issuing Office's option. The Commonwealth has the right to use any or all ideas not protected by intellectual property rights that are presented in any proposal regardless of whether the proposal becomes part of a contract. Notwithstanding any Offeror copyright designations contained on proposals, the Commonwealth shall have the right to make copies and distribute proposals internally and to comply with public record or other disclosure requirements under the provisions of any Commonwealth or United States statute or regulation, or rule or order of any court of competent jurisdiction.
- C. Public Disclosure. After the award of a contract pursuant to this RFP, all proposal submissions are subject to disclosure in response to a request for public records made under the Pennsylvania Right-to-Know-Law, 65 P.S. § 67.101, et seq. If a proposal submission contains confidential proprietary information or trade secrets, a signed written statement to this effect must be provided with the submission in accordance with 65 P.S. § 67.707(b) for the information to be considered exempt under 65 P.S. § 67.708(b)(11) from public records requests. Refer to Appendix **H** of the RFP for a Trade Secret Confidential Proprietary Information Notice Form that may be utilized as the signed written statement, if applicable. If financial capability information is submitted in response to Part II of this RFP such financial capability information is exempt from public records disclosure under 65 P.S. § 67.708(b)(26).

I-19. Best and Final Offers.

- A. While not required, the Issuing Office reserves the right to conduct discussions with Offerors for the purpose of obtaining “best and final offers.” To obtain best and final offers from Offerors, the Issuing Office may do one or more of the following, in any combination and order:
 - 1. Schedule oral presentations;
 - 2. Request revised proposals;
 - 3. Conduct a reverse online auction; and
 - 4. Enter into pre-selection negotiations.

- B. The following Offerors will **not** be invited by the Issuing Office to submit a Best and Final Offer:
1. Those Offerors, which the Issuing Office has determined to be not responsible or whose proposals the Issuing Office has determined to be not responsive.
 2. Those Offerors, which the Issuing Office has determined in accordance with **Part III, Section III-5**, from the submitted and gathered financial and other information, do not possess the financial capability, experience or qualifications to assure good faith performance of the contract.
 3. Those Offerors whose score for their technical submittal of the proposal is less than 70% of the total amount of technical points allotted to the technical criterion.

The issuing office may further limit participation in the best and final offers process to those remaining responsible offerors which the Issuing Office has, within its discretion, determined to be within the top competitive range of responsive proposals.

- C. The Evaluation Criteria found in **Part III, Section III-4**, shall also be used to evaluate the Best and Final offers.
- D. Price reductions offered through any reverse online auction shall have no effect upon the Offeror's Technical Submittal. Dollar commitments to Small Diverse Businesses can be reduced only in the same percentage as the percent reduction in the total price offered through any reverse online auction or negotiations.

I-20. News Releases. Offerors shall not issue news releases, Internet postings, advertisements or any other public communications pertaining to this Project without prior written approval of the Issuing Office, and then only in coordination with the Issuing Office.

I-21. Restriction of Contact. From the issue date of this RFP until the Issuing Office selects a proposal for award, the Issuing Officer is the sole point of contact concerning this RFP. Any violation of this condition may be cause for the Issuing Office to reject the offending Offeror's proposal. If the Issuing Office later discovers that the Offeror has engaged in any violations of this condition, the Issuing Office may reject the offending Offeror's proposal or rescind its contract award. Offerors must agree not to distribute any part of their proposals beyond the Issuing Office. An Offeror who shares information contained in its proposal with other Commonwealth personnel and/or competing Offeror personnel may be disqualified.

I-22. Issuing Office Participation. Offerors shall provide all services, supplies, facilities, and other support necessary to complete the identified work, except as otherwise provided in this **Part I, Section I-22**.

I-23. Term of Contract. The term of the contract will commence on the Effective Date and will end five years after the Effective Date. The Issuing Office will fix the Effective Date after the contract has been fully executed by the selected Offeror and by the Commonwealth and all

approvals required by Commonwealth contracting procedures have been obtained. The selected Offeror shall not start the performance of any work prior to the Effective Date of the contract and the Commonwealth shall not be liable to pay the selected Offeror for any service or work performed or expenses incurred before the Effective Date of the contract.

I-24. Offeror's Representations and Authorizations. By submitting its proposal, each Offeror understands, represents, and acknowledges that:

- A. All of the Offeror's information and representations in the proposal are material and important, and the Issuing Office may rely upon the contents of the proposal in awarding the contract(s). The Commonwealth shall treat any misstatement, omission or misrepresentation as fraudulent concealment of the true facts relating to the Proposal submission, punishable pursuant to 18 Pa. C.S. § 4904.
- B. The Offeror has arrived at the price(s) and amounts in its proposal independently and without consultation, communication, or agreement with any other Offeror or potential offeror.
- C. The Offeror has not disclosed the price(s), the amount of the proposal, nor the approximate price(s) or amount(s) of its proposal to any other firm or person who is an Offeror or potential offeror for this RFP, and the Offeror shall not disclose any of these items on or before the proposal submission deadline specified in the Calendar of Events of this RFP.
- D. The Offeror has not attempted, nor will it attempt, to induce any firm or person to refrain from submitting a proposal on this contract, or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal or other form of complementary proposal.
- E. The Offeror makes its proposal in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal.
- F. To the best knowledge of the person signing the proposal for the Offeror, the Offeror, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last **four** years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding or proposing on any public contract, except as the Offeror has disclosed in its proposal.
- G. To the best of the knowledge of the person signing the proposal for the Offeror and except as the Offeror has otherwise disclosed in its proposal, the Offeror has no outstanding, delinquent obligations to the Commonwealth including, but not limited to, any state tax liability not being contested on appeal or other obligation of the Offeror that is owed to the Commonwealth.

- H. The Offeror is not currently under suspension or debarment by the Commonwealth, any other state or the federal government, and if the Offeror cannot so certify, then it shall submit along with its proposal a written explanation of why it cannot make such certification.
- I. The Offeror has not made, under separate contract with the Issuing Office, any recommendations to the Issuing Office concerning the need for the services described in its proposal or the specifications for the services described in the proposal.
- J. Each Offeror, by submitting its proposal, authorizes Commonwealth agencies to release to the Commonwealth information concerning the Offeror's Pennsylvania taxes, unemployment compensation and workers' compensation liabilities.
- K. Until the selected Offeror receives a fully executed and approved written contract from the Issuing Office, there is no legal and valid contract, in law or in equity, and the Offeror shall not begin to perform.

I-25. Notification of Selection.

- A. **Contract Negotiations.** The Issuing Office will notify all Offerors in writing of the Offeror selected for contract negotiations after the Issuing Office has determined, taking into consideration all of the evaluation factors, the proposal that is the most advantageous to the Issuing Office.
- B. **Award.** Offerors whose proposals are not selected will be notified when contract negotiations have been successfully completed and the Issuing Office has received the final negotiated contract signed by the selected Offeror.

I-26. Debriefing Conferences. Upon notification of award, Offerors whose proposals were not selected will be given the opportunity to be debriefed. The Issuing Office will schedule the debriefing at a mutually agreeable time. The debriefing will not compare the Offeror with other Offerors, other than the position of the Offeror's proposal in relation to all other Offeror proposals. An Offeror's exercise of the opportunity to be debriefed does not constitute nor toll the time for filing a protest (See Section I-27 of this RFP).

I-27. RFP Protest Procedure. The RFP Protest Procedure is on the DGS website at <http://www.dgs.pa.gov/Businesses/Materials%20and%20Services%20Procurement/Supplier%20Service%20Center/Pages/default.aspx>. A protest by a party not submitting a proposal must be filed within **seven** days after the protesting party knew or should have known of the facts giving rise to the protest, but no later than the proposal submission deadline specified in the Calendar of Events of the RFP. Offerors may file a protest within **seven** days after the protesting Offeror knew or should have known of the facts giving rise to the protest, but in no event may an Offeror file a protest later than **seven** days after the date the notice of award of the contract is posted on the DGS website. The date of filing is the date of receipt of the protest. A protest must be filed in writing with the Issuing Office. To be timely, the protest must be received by 4:00 p.m. on the seventh day.

I-28. Use of Electronic Versions of this RFP. This RFP is being made available by electronic means. If an Offeror electronically accepts the RFP, the Offeror acknowledges and accepts full responsibility to insure that no changes are made to the RFP. In the event of a conflict between a version of the RFP in the Offeror's possession and the Issuing Office's version of the RFP, the Issuing Office's version shall govern.

PART II

PROPOSAL REQUIREMENTS

Offerors must submit their proposals in the format, including heading descriptions, outlined below. To be considered, the proposal must respond to all requirements in this part of the RFP. Offerors should provide any other information thought to be relevant, but not applicable to the enumerated categories, as an appendix to the Proposal. All cost data relating to this proposal and all Small Diverse Business cost data should be kept separate from and not included in the Technical Submittal. Each Proposal shall consist of the following **three** separately sealed submittals:

- A. Technical Submittal, which shall be a response to RFP **Part II, Sections II-1 through II-7**;
- B. Small Diverse Business participation submittal, in response to RFP **Part II, Section II-8**; and
- C. Cost Submittal, in response to RFP **Part II, Section II-9**.

The Issuing Office reserves the right to request additional information which, in the Issuing Office's opinion, is necessary to assure that the Offeror's competence, number of qualified employees, business organization, and financial resources are adequate to perform according to the RFP.

The Issuing Office may make investigations as deemed necessary to determine the ability of the Offeror to perform the Project, and the Offeror shall furnish to the Issuing Office all requested information and data. The Issuing Office reserves the right to reject any proposal if the evidence submitted by, or investigation of, such Offeror fails to satisfy the Issuing Office that such Offeror is properly qualified to carry out the obligations of the RFP and to complete the Project as specified.

II-1. Mandatory Minimum Qualifications.

- A. The Offeror must meet all of the following minimum qualifications to be given further consideration. Failure to satisfy each of the minimum qualifications will result in the immediate rejection of the proposal.
 - 1) The Offeror must have been in the business of providing proxy research and voting services for at least three (3) years, evidenced by a certificate of incorporation or copy of Form ADV as well as documentation of proxy research and voting services which date back three years.
 - 2) The Offeror must currently have at least five (5) other large institutional investor clients, each of which has at least \$5 billion in a diverse portfolio of U.S. and non-

U.S. equities under management, that are being provided the same type of services as of May 31, 2015.

- 3) The primary contact(s) for PSERS' account and the heads of U.S. and non-U.S. research must have at least five (5) years of experience directly related to those duties.
 - 4) The Offeror and its key professionals must not have material conflicts of interest with the PSERS Board, its custodian bank, or its investment managers.
- B. The Offeror must provide responses to each of the aforementioned minimum qualifications substantiating how your firm satisfies each qualification. The responses must contain sufficient information as prescribed to assure PSERS of its accuracy. Failure to provide complete information will result in the rejection of the proposal.
- C. In its responses, the Offeror must agree to provide PSERS with prompt written notice should, during its tenure as proxy research and voting agent, it no longer meets any of the minimum qualifications noted above.

II-2. Offeror's Qualifications

1. Give a brief history of the firm including:
 - a. Year organization was started and when each relevant service was initiated. Also include the number of years your firm has been providing proxy services to institutional investors and specifically to pension fund clients. Please include categories of services available to clients during this period.
 - b. The location of your firm's headquarters and branch offices, and primary location where the relationship will be serviced.
2. Please provide the following indicators of financial stability:
 - a. Audited financial statements for the past three (3) years, and
 - b. Any special audit reports concerning internal controls for the past three (3) years.

The Commonwealth reserves the right to request additional information it deems necessary to evaluate an Offeror's financial stability.

3. Describe the ownership of the firm, including but not limited to the ownership structure, affiliated companies, and joint ventures. If an affiliate, designate percent of parent firm's total revenue generated by your organization. If the firm is a joint venture partner, identify the percentage of ownership and revenues recognized by each partner to the combined association. Do senior executives have ownership interests in the firm? Will the primary consultant assigned to PSERS' account have

- ownership interest in the firm or is there a specific arrangement for sharing in the profits earned by the enterprise (e.g., salary, bonus, group/individual performance incentives, profit sharing, etc.)? Please describe.
4. Provide an organizational chart diagramming the relationships between the professional staff as well as the parent-subsiary, affiliate, or joint venture entities.
 5. Please describe the levels (U.S. dollar amounts) of coverage and deductibles for errors and omissions coverage and any other fiduciary or professional liability coverage that your firm carries. List the insurance carriers supplying the coverage.
 6. Over the past five years, has your organization or any of its affiliates or parent, or any officer, principal, or primary contacts been involved in any business litigation, securities or tax law violation investigations or proceedings, regulatory or legal proceedings (including those of the SEC), or government investigations? If so, provide a detailed explanation and indicate the current status.
 7. Describe in detail the material developments in your organization (changes in ownership, personnel reorganization, new business ventures, etc.) over the past three years. Do you anticipate any significant changes in your firm? If so, describe these changes and their impact on clients.
 8. Describe in detail any potential conflicts of interest your firm may have in the management of PSERS' account, or in the alternative, state that no potential conflicts exist.
 - a. Does your firm or any affiliate provide services to clients other than institutional shareholders?
 - b. Does the firm provide non-proxy services to any clients?
 - c. Are there contractual or business relationships with publicly traded companies? Please describe any services and relationships and identify the amount and percentage of income and profit associated with them.
 - d. State whether the firm, any of its principals or any affiliates have any involvements that could be viewed as potential conflicts of interest.
 - e. How are conflicts of interest managed, disclosed, or prevented? Include any other pertinent activities, actions, or relationships not specifically outlined in this question.
 - f. Does your firm have a conflict of interest policy? If so, please provide a copy.
 9. Does the firm accept "soft dollars" or similar arrangements as payment for services?

10. Does your firm have a disaster recovery plan, including arrangements for an alternative worksite should your facilities become inoperative because of fire, earthquake, etc? Describe.
11. Describe your firm's overall business strengths, weaknesses, and uniqueness.
12. How does your firm evaluate the quality of its services?
13. Describe any other service not included in Part IV "Work Statement" that you believe would be beneficial to PSERS and you are proposing to provide for PSERS.
14. Please provide a breakdown of revenue by line of business for your firm.
15. Please indicate the composition of your firm's client base using the number and percentages of clients. Please explain if your firm's client base is heavily weighted to any particular type of investor.

<u>Client Type</u>	<u>Number</u>	<u>Percentage by Equity Asset Size</u>	<u>Percentage by Revenue Earned</u>	<u>Percentage by Number of Equity Holdings</u>
Public Pension Funds	_____	_____	_____	_____
Corporate Pension Funds	_____	_____	_____	_____
Endowments	_____	_____	_____	_____
Mutual Funds	_____	_____	_____	_____
Insurance Companies	_____	_____	_____	_____
Other	_____	_____	_____	_____
TOTAL	_____	_____	_____	_____

16. Please list the **5 largest** U.S. tax-exempt clients. For each of these clients, please provide the full contact information so that we may contact them for a reference.

<u>Client Name</u>	<u>Contact Information</u>	<u>Date of Inception</u>	<u>Market Value of Equity Holdings (5/31/2015)</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

17. List all clients gained in the proxy research and voting services area over the past three years as of May 31, 2015.
18. List all clients lost in the proxy research and voting services area over the past three years as of May 31, 2015. Identify three clients that have terminated their agreement over the past three years that can be contacted as references. Provide the firm name, contact person and title, phone number, and reason for termination.
19. Describe the objectives of your firm with respect to future growth, commenting on new products or services, additional resources, and size limitations. Explain your firm's goals and desires for expansion, particularly how such goals pertain to accepting new client business and the quality of service to all clients. Is there a limit to the number of new clients your firm will accept? At what point will your firm need to add additional staff? What are the client ratios of both your firm and the proposed Primary Contact?
20. Is your firm registered with the SEC under the Investment Advisers Act of 1940 as a Registered Investment Advisor? If your firm is registered, please provide a copy of the latest Form ADV Part II. If your firm is not registered, please explain why.
21. Is your firm willing to agree to a most favored nations clause certifying that the fees, costs, or pricing chargeable to PSERS are equal to or less than the Offeror's established market prices and do not exceed the fees, costs, or prices charged by the Offeror to any of its clients for the same or similar amount of work?
22. Is your firm willing to agree to reimburse PSERS for the reasonable travel expenses actually incurred by PSERS, if any, for each contract year (i) for travel to Offeror's location to discuss the services, organizational changes and other pertinent matters and (ii) to attend conferences, training, seminars or similar events sponsored by the Offeror. Reimbursable expenses shall include airfare, automobile rental, lodging, meals, Offeror-sponsored meeting registration fees, and other travel-related expenses at maximum allowance rates established by the Commonwealth Management Directive 230.10 as revised, Travel and Subsistence Allowances. The reimbursable expenses for each of (i) or (ii), above, shall not exceed \$10,000 per calendar year. If the Offeror agrees to reimburse PSERS for reasonable travel expenses, PSERS shall submit a claim for reimbursement of such expenses, which the Offeror shall promptly pay.

II-3. Personnel Qualifications.

1. Which of your firm's offices would service this account? What services would specifically be provided by which office?
2. Who will be the primary client service contact? How often would the person be available for client meetings?

3. How many people are employed by the firm? How many people would support this relationship? Please name and include a brief resume of the officers, directors, principals, key individuals, service segment supervisors, and person(s) you propose to be primary contact(s) or primary people responsible for the services for PSERS. Include the locations and number of accounts each manages. Please also include length of experience in providing those services and any specialty expertise they possess, prior employment history, and the highest educational degree they have attained.
4. Please identify all consultants to your firm and their staff that would be involved in providing the proposed services to PSERS, including research and systems support personnel. Include length of experience in providing those services, any specialty expertise they possess, and the highest educational degree they have attained.
5. Provide an organizational chart that diagrams the different functions dedicated to the services covered by this RFP. Professionals should be identified over their areas of responsibility.
6. Please explain how the team dedicated to the PSERS' account would function, including the primary contact(s), back-up, quality control, research, and support services. In addition, please explain how the team would interact and communicate with PSERS.
7. What are the procedures for addressing PSERS' issues when the primary contact(s) or other assigned personnel are on vacation or unavailable?
8. What personnel or organizational changes are planned over the next 3 years?
9. Discuss the causes and impact of any turnover (departures or hiring/promotions) of any key professionals in the past five years.
10. Provide a copy of your Code of Ethics. Does the firm and its employees comply with the Code of Ethics and the Standards of Professional Conduct of the CFA Institute?
11. Describe your internal training procedures for staff.
12. Are any of the activities related to your proxy research and voting services outsourced to a third party? If so, please describe each arrangement including the compensation structure.

II-4. Soundness of Approach

1. State in succinct terms your understanding of the problem presented or the service required by this RFP.

2. Referring to the Work Statement in Section IV, describe in detail the services you propose to provide PSERS. Explain what your firm's competitive advantage would be for providing those services to PSERS. Describe what differentiates your services from those of your competition.
3. What differentiates your firm from other competing firms? Please identify your competitive advantages and disadvantages.
4. List all standard services provided in a typical pension plan proxy assignment. List the specialized services that you have provided to meet other need of your clients.
5. What research and analytical resources (including databases) does your firm possess that are related to the services your firm would provide to PSERS? Do you have a database or library of institutional investor proxy voting policies? Please describe how your firm gathers, verifies, updates, maintains and analyzes the data collected.
6. What experience have you had in drafting both U.S. and non-U.S. proxy voting policies?
7. What are the primary issues and activities on which institutional investor corporate governance activities should focus? Why? Also include comments on executive compensation, board independence, and social issues.
8. Outline your processes for monitoring and reporting on corporate governance issues and trends. Describe your capabilities for identifying U.S. and non-U.S. trends and influences.
9. How would you determine when to recommend that a proxy voting policy be reviewed or changed?
10. Please comment on PSERS' current proxy policy. PSERS' U.S. Proxy voting Policies can be found at <http://www.psers.state.pa.us/content/investments/proxy/Combined%20US%20Proxy%20Voting%20Policy%20Approved%202015-03-12.pdf> and Non-US Proxy Voting Policies can be found at [http://www.psers.state.pa.us/content/investments/proxy/Combined%20Non%20US%20Proxy%20Voting%20Policy%20\(Appeared%202015-03-12\).pdf](http://www.psers.state.pa.us/content/investments/proxy/Combined%20Non%20US%20Proxy%20Voting%20Policy%20(Appeared%202015-03-12).pdf). What improvements, changes, and/or updates would you make? How do you handle case-by-case recommendations?
11. Please provide a description of your firm's experience, processes, procedures, and information technology capabilities for monitoring, researching, analyzing, recommending, voting, reporting, and keeping records for U.S. proxies and for non-U.S. proxies.

12. Given PSERS' large and diverse number of public equity holdings and proxy votes, what approach would you recommend to ensure that PSERS is effectively monitoring and voting all of its positions? As part of this, please describe how you will work with PSERS' custodian bank.
13. What on-line reporting, monitoring, and analytical tools would you make available to PSERS? Describe the capabilities that a PSERS' holdings database would have to screen companies for various metrics and characteristics.
14. Please describe the internal structure and organization of the firm's research department. What percent of the firm's revenues are annually invested in this area? How many research analysts does your firm utilize? How is company research gathered and from what sources? Discuss how your firm gathers, verifies, updates, maintains and analyzes the data collected on companies and how it is included in any database. Do you use internal and external resources in the research process? How many securities are in your database for U.S. and non-U.S. companies? How many countries do you cover? Please provide a list of countries your firm covers.
15. How are governance ratings and profiles developed? How many companies do you rate/profile? What metrics are used in arriving at the ratings? How often are ratings and profiles updated? Has validity of the ratings been verified? If so, please describe. Please include a sample copy of governance ratings and profiles.
16. Explain the methodology used in analyzing executive compensation issues, including those relating to use of employee stock options.
17. Explain the role, if any, that income inequality considerations play in proxy voting decisions.
18. What definitions would you recommend using for determining board independence?
19. What position do you take on social issues?
20. How do you handle case-by-case recommendations?
21. How do you handle recommendations on proxy fights, shareholder proposals, proxies out on loan, class actions and other special situations?
22. Identify any circumstances where you would not be able to vote on PSERS' behalf. Please include information on how you handle commingled accounts, country funds, preferred stock, warrants, or debt holdings.
23. What quality control procedures do you have in place? How many times have your reports or analyses been accused of or found to contain bias or factual inaccuracies in the last three years? Please explain.

24. What is your procedure for handling complaints about the accuracy of your reports and analyses?
25. Describe your firm's internal audit and compliance functions.
26. What capabilities do you have to post PSERS' votes and a brief supporting explanation on our web site? Who would respond to questions prompted by postings to our web site and how would they be handled?
27. Please attach your most recent proxy recommendations and analyses for E.I. du Pont de Nemours and Chevron. Also include examples of the annual and quarterly proxy voting reports your firm provides.
28. Does your company issue a full report for all securities you cover regardless of the number of clients that hold that security?
29. Outline your processes for monitoring and reporting on corporate governance issues and trends. Describe in detail the type and frequency of updates, conferences, web casts, informational materials, etc., that would be provided to PSERS. Through what media would it be provided? Does your firm provide research or reports other than those specifically requested by the client? If so, please describe. Attach sample copies of reports, newsletters and publications generated within the last year.
30. Please provide your firms' current risk management policy.
31. List research reports or studies that you have provided clients in the past 12 months. Describe your capability to carry out special projects requested by PSERS. Provide a sample report that best represents your research capabilities.
32. What types of general research reports or white papers do you produce and distribute to clients? Please attach three recent reports. Outline the sources used to obtain data for publication of newsletters or periodicals. Include samples of your publications.
33. How do you communicate important developments and relevant information to clients outside of standard reporting packages and board meetings?

II-5. References. List five (5) current proxy research and voting clients as references, including at least two (2) public pension fund clients. For each reference, include client name, name of contact person with title, address (both building and email), telephone number, asset value of client, services the client uses, and number of years the client retained the firm. PSERS intends to contact the references.

In addition, identify the five (5) largest clients lost and indicate the reason(s) for termination. Include client name, name of contact person with title, address (both building and email), telephone number, services the client used, and number of years the client retained the firm.

II-6. Work Plan. Describe in narrative form your technical plan for accomplishing the work. Use the task descriptions in **Part IV** of this RFP as your reference point. Modifications of the task descriptions are permitted; however, reasons for changes should be fully explained. Indicate the number of person hours allocated to each task. Include a Program Evaluation and Review Technique (PERT) or similar type display, time related, showing each event. If more than one approach is apparent, comment on why you chose this approach.

II-7. Objections and Additions to Standard Contract Terms and Conditions. The Offeror will identify which, if any, of the terms and conditions (contained in **Appendix A and Appendix B**) it would like to negotiate and what additional terms and conditions the Offeror would like to add to the standard contract terms and conditions. The Offeror's failure to make a submission under this paragraph will result in its waiving its right to do so later, but the Issuing Office may consider late objections and requests for additions if to do so, in the Issuing Office's sole discretion, would be in the best interest of the Commonwealth. The Issuing Office may, in its sole discretion, accept or reject any requested changes to the standard contract terms and conditions. The Offeror shall not request changes to the other provisions of the RFP, nor shall the Offeror request to completely substitute its own terms and conditions for **Appendix A and Appendix B**. All terms and conditions must appear in one integrated contract. The Issuing Office will not accept references to the Offeror's, or any other, online guides or online terms and conditions contained in any proposal.

Regardless of any objections set out in its proposal, the Offeror must submit its proposal, including the cost proposal, on the basis of the terms and conditions set out in **Appendix A and Appendix B**. The Issuing Office will reject any proposal that is conditioned on the negotiation of the terms and conditions set out in **Appendix A and Appendix B or to other provisions of the RFP as specifically identified above**. PSERS will not consider proposals that contain any limitations of Offeror liability for services provided. Any proposal containing such a limitation shall be rejected.

II-8. Small Diverse Business Participation Submittal.

- A. To receive credit for being a Small Diverse Business or for subcontracting with a Small Diverse Business (including purchasing supplies and/or services through a purchase agreement), an Offeror must include proof of Small Diverse Business qualification in the Small Diverse Business participation submittal of the proposal, as indicated below:

A Small Diverse Business verified by BSBO as a Small Diverse Business must provide a photocopy of its DGS issued certificate entitled "Notice of Small Business Self-Certification and Small Diverse Business Verification" indicating its diverse status

- B. In addition to the above certificate, the Offeror must include in the Small Diverse Business participation submittal of the proposal the following information:

1. **All** Offerors must include a numerical percentage which represents the total percentage of the work (as a percentage of the total cost in the Cost Submittal) to be performed by the Offeror and not by subcontractors and suppliers.
 2. **All** Offerors must include a numerical percentage which represents the total percentage of the total cost in the Cost Submittal that the Offeror commits to paying to Small Diverse Businesses (SDBs) as subcontractors. To support its total percentage SDB subcontractor commitment, Offeror must also include:
 - a) The percentage and dollar amount of each subcontract commitment to a Small Diverse Business;
 - b) The name of each Small Diverse Business. The Offeror will not receive credit for stating that after the contract is awarded it will find a Small Diverse Business.
 - c) The services or supplies each Small Diverse Business will provide, including the timeframe for providing the services or supplies.
 - d) The location where each Small Diverse Business will perform services.
 - e) The timeframe for each Small Diverse Business to provide or deliver the goods or services.
 - f) A subcontract or letter of intent signed by the Offeror and the Small Diverse Business (SDB) for each SDB identified in the SDB Submittal. The subcontract or letter of intent must identify the specific work, goods or services the SDB will perform, how the work, goods or services relates to the project, and the specific timeframe during the term of the contract and any option/renewal periods when the work, goods or services will be performed or provided. In addition, the subcontract or letter of intent must identify the fixed percentage commitment and associated estimated dollar value that each SDB will receive based on the total value of the initial term of the contract as provided in the Offeror's Cost Submittal. Attached is a letter of intent template (Appendix G) which may be used to satisfy these requirements.
 - g) The name, address and telephone number of the primary contact person for each Small Diverse Business.
 3. The total percentages and each SDB subcontractor commitment will become contractual obligations once the contract is fully executed.
 4. The name and telephone number of the Offeror's project (contact) person for the Small Diverse Business information.
- C. The Offeror is required to submit **two** copies of its Small Diverse Business participation submittal. The submittal shall be clearly identified as Small Diverse Business information and sealed in its own envelope, separate from the remainder of the proposal.

- D. A Small Diverse Business can be included as a subcontractor with as many prime contractors as it chooses in separate proposals.
- E. An Offeror that qualifies as a Small Diverse Business and submits a proposal as a prime contractor is not prohibited from being included as a subcontractor in separate proposals submitted by other Offerors.

II-9. Cost Submittal. The information requested in this **Part II, Section II-9** shall constitute the Cost Submittal. The Cost Submittal shall be placed in a separate sealed envelope within the sealed proposal, separated from the technical submittal. Offerors should **not** include any assumptions in their cost submittals. If the Offeror includes assumptions in its cost submittal, the Issuing Office may reject the proposal. Offerors should direct in writing to the Issuing Office pursuant to **Part I, Section I-9**, of this RFP any questions about whether a cost or other component is included or applies. All Offerors will then have the benefit of the Issuing Office's written answer so that all proposals are submitted on the same basis. The total cost you are proposing must be broken down into the following components:

- a. **Research Services.** Itemize the charge per meeting for the following:
 - (1) U.S. meetings; and
 - (2) Non-U.S. meetings.
- b. **Voting Services.** Itemize the charge per ballot for the following:
 - (1) U.S. ballots; and
 - (2) Non-U.S. ballots.
- c. **Vote Disclosure Service.** Itemize the fixed annual fee for a web-based search and presentation mechanism for disclosure of any archived proxy votes cast on behalf of PSERS.
- d. **Total Cost.** The total cost should be based on the following statistics based on the fixed cost of the vote disclosure service plus the annual fee based on the 2014 meetings and ballots voted:
 - (1) U.S. meetings - 1,600
 - (2) Non-U.S. meetings - 3,800
 - (3) U.S. ballots voted - 2,300
 - (4) Non-U.S. ballots voted - 6,000

The Offeror must complete this section (II-9(d)) of their cost proposal in the format shown in Appendix C

- e. **Cost Certification.** The Offeror must make the following certification in their cost proposal and affirmatively agree to include it in the contract:

“The Offeror hereby certifies that:

(a) the contract price is based upon fees, costs, or pricing specifically negotiated in good faith with PSERS; and

(b) the fees, costs, or pricing chargeable to PSERS are equal to or less than the Offeror's established market prices and do not exceed the fees, costs, or pricing charged by the Offeror under similar fee structures to any other of its clients for the same or similar services.

In the event that the Offeror charges lesser fees, costs, or pricing under similar fee structures to any other client for the same or similar services, the Offeror shall provide timely notice of such terms to PSERS and, at PSERS' option, adjust the fees, costs, or pricing charged to PSERS to equal such lesser fees, costs, or pricing effective as of the time that such lesser fees, costs, or pricing took or will take effect.

The Offeror shall promptly provide such proofs in support of its certification of the contract price as the Commonwealth of Pennsylvania may reasonably request.

The Offeror further understands that any intentionally misleading representation in this Certification shall be punishable under Section 4904 of Title 18 Pa. C.S.”

The Issuing Office will reimburse the selected Offeror for work satisfactorily performed after execution of a written contract and the start of the contract term, in accordance with contract requirements, and only after the Issuing Office has issued a notice to proceed.

II-10. Domestic Workforce Utilization Certification. Complete and sign the Domestic Workforce Utilization Certification contained in **Appendix E** of this RFP. Offerors who seek consideration for this criterion must submit in hardcopy the signed Domestic Workforce Utilization Certification Form in the same sealed envelope with the Technical Submittal.

PART III

CRITERIA FOR SELECTION

III-1. Mandatory Responsiveness Requirements. To be eligible for selection, a proposal must be:

- A. Timely received from an Offeror;
- B. Properly signed by the Offeror.
- C. The Offeror must meet all of the Mandatory Minimum Qualifications outlined in Section II-1.

III-2. Technical Nonconforming Proposals. The three (3) Mandatory Responsiveness Requirements set forth in **Section III-1** above (A-C) are the only RFP requirements that the Commonwealth will consider to be *non-waivable*. The Issuing Office reserves the right, in its sole discretion, to (1) waive any other technical or immaterial nonconformities in an Offeror's proposal, (2) allow the Offeror to cure the nonconformity, or (3) consider the nonconformity in the scoring of the Offeror's proposal.

III-3. Evaluation. The Issuing Office has selected a committee of qualified personnel to review and evaluate timely submitted proposals. Independent of the committee, BSBO will evaluate the Small Diverse Business participation submittal and provide the Issuing Office with a rating for this component of each proposal. The Issuing Office will notify in writing of its selection for negotiation the responsible Offeror whose proposal is determined to be the most advantageous to the Commonwealth as determined by the Issuing Office after taking into consideration all of the evaluation factors.

III-4. Evaluation Criteria. The following criteria will be used in evaluating each proposal:

- A. Technical:** The Issuing Office has established the weight for the Technical criterion for this RFP as **60%** of the total points. Evaluation will be based upon the following in order of importance: Soundness of Approach; Personnel Qualifications; and Offeror Qualifications. The final Technical scores are determined by giving the maximum number of technical points available to the proposal with the highest raw technical score. The remaining proposals are rated by applying the Technical Scoring Formula set forth at the following webpage: <http://www.dgs.pa.gov/Businesses/Materials%20and%20Services%20Procurement/Procurement-Resources/Pages/default.aspx>.
- B. Cost:** The Issuing Office has established the weight for the Cost criterion for this RFP as **20%** of the total points. The cost criterion is rated by giving the proposal with the lowest total cost the maximum number of Cost points available. The remaining proposals are rated by applying the Cost Formula set forth at the following

webpage: <http://www.dgs.pa.gov/Businesses/Materials%20and%20Services%20Procurement/Procurement-Resources/Pages/default.aspx>.

C. Small Diverse Business Participation:

BSBO has established the weight for the Small Diverse Business (SDB) participation criterion for this RFP as 20 % of the total points. Each SDB participation submittal will be rated for its approach to enhancing the utilization of SDBs in accordance with the below-listed priority ranking and subject to the following requirements:

1. A business submitting a proposal as a prime contractor must perform 60% of the total contract value to receive points for this criterion under any priority ranking.
2. To receive credit for an SDB subcontracting commitment, the SDB subcontractor must perform at least fifty percent (50%) of the work subcontracted to it.
3. A significant subcontracting commitment is a minimum of five percent (5%) of the total contract value.
4. A subcontracting commitment less than five percent (5%) of the total contract value is considered nominal and will receive reduced or no additional SDB points depending on the priority ranking.

Priority Rank 1: Proposals submitted by SDBs as prime offerors will receive 150 points. In addition, SDB prime offerors that have significant subcontracting commitments to additional SDBs may receive up to an additional 50 points (200 points total available).

Subcontracting commitments to additional SDBs are evaluated based on the proposal offering the highest total percentage SDB subcontracting commitment. All other Offerors will be scored in proportion to the highest total percentage SDB subcontracting commitment within this ranking. *See formula below.*

Priority Rank 2: Proposals submitted by SDBs as prime contractors, with no or nominal subcontracting commitments to additional SDBs, will receive 150 points.

Priority Rank 3: Proposals submitted by non-small diverse businesses as prime contractors, with significant subcontracting commitments to SDBs, will receive up to 100 points. Proposals submitted with nominal subcontracting commitments to SDBs will receive points equal to the percentage level of their total SDB subcontracting commitment.

SDB subcontracting commitments are evaluated based on the proposal offering the highest total percentage SDB subcontracting commitment. All other Offerors will be

scored in proportion to the highest total percentage SDB subcontracting commitment within this ranking. *See formula below.*

Priority Rank 4: Proposals by non-small diverse businesses as prime contractors with no SDB subcontracting commitments shall receive no points under this criterion.

To the extent that there are multiple SDB Participation submittals in Priority Rank 1 and/or Priority Rank 3 that offer significant subcontracting commitments to SDBs, the proposal offering the highest total percentage SDB subcontracting commitment shall receive the highest score (or additional points) available in that Priority Rank category and the other proposal(s) in that category shall be scored in proportion to the highest total percentage SDB subcontracting commitment. Proportional scoring is determined by applying the following formula:

$$\frac{\text{SDB \% Being Scored}}{\text{Highest \% SDB Commitment}} \times \frac{\text{Points/Additional Points Available}^*}{\text{Points Available}^*} = \frac{\text{Awarded/Additional SDB Points}}{\text{Points Available}^*}$$

Priority Rank 1 = 50 Additional Points Available

Priority Rank 3 = 100 Total Points Available

Please refer to the following webpage for an illustrative chart which shows SDB scoring based on a hypothetical situation in which the Commonwealth receives proposals for each Priority Rank:

<http://www.dgs.pa.gov/Businesses/Materials%20and%20Services%20Procurement/Procurement-Resources/Pages/default.aspx>.

D. Domestic Workforce Utilization: Any points received for the Domestic Workforce Utilization criterion are bonus points in addition to the total points for this RFP. The maximum amount of bonus points available for this criterion is 3% of the total points for this RFP.

To the extent permitted by the laws and treaties of the United States, each proposal will be scored for its commitment to use domestic workforce in the fulfillment of the contract. Maximum consideration will be given to those Offerors who will perform the contracted direct labor exclusively within the geographical boundaries of the United States or within the geographical boundaries of a country that is a party to the World Trade Organization Government Procurement Agreement. Those who propose to perform a portion of the direct labor outside of the United States and not within the geographical boundaries of a party to the World Trade Organization Government Procurement Agreement will receive a correspondingly smaller score for this criterion. See the following webpage for the Domestic Workforce Utilization Formula:

<http://www.dgs.pa.gov/Businesses/Materials%20and%20Services%20Procurement/Procurement-Resources/Pages/default.aspx>.

Offerors who seek consideration for this criterion must submit in hardcopy the signed Domestic Workforce Utilization Certification Form in the same sealed envelope with the Technical Submittal. The certification will be included as a contractual obligation when the contract is executed.

III-5. Offeror Responsibility. To be responsible, an Offeror must submit a responsive proposal and possess the capability to fully perform the contract requirements in all respects and the integrity and reliability to assure good faith performance of the contract.

In order for an Offeror to be considered responsible for this RFP and therefore eligible for selection for best and final offers or selection for contract negotiations:

- A. The total score for the technical submittal of the Offeror's proposal must be greater than or equal to **70%** of the **available technical points**; and
- B. The Offeror's financial information must demonstrate that the Offeror possesses the financial capability to assure good faith performance of the contract. The Issuing Office will review the Offeror's previous three financial statements, any additional information received from the Offeror, and any other publicly-available financial information concerning the Offeror, and assess each Offeror's financial capacity based on calculating and analyzing various financial ratios, and comparison with industry standards and trends.

An Offeror which fails to demonstrate sufficient financial capability to assure good faith performance of the contract as specified herein may be considered by the Issuing Office, in its sole discretion, for Best and Final Offers or contract negotiation contingent upon such Offeror providing contract performance security for the first contract year cost proposed by the Offeror in a form acceptable to the Issuing Office. Based on the financial condition of the Offeror, the Issuing Office may require a certified or bank (cashier's) check, letter of credit, or a performance bond conditioned upon the faithful performance of the contract by the Offeror. The required performance security must be issued or executed by a bank or surety company authorized to do business in the Commonwealth. The cost of the required performance security will be the sole responsibility of the Offeror and cannot increase the Offeror's cost proposal or the contract cost to the Commonwealth.

Further, the Issuing Office will award a contract only to an Offeror determined to be responsible in accordance with the most current version of Commonwealth Management Directive 215.9, Contractor Responsibility Program.

III-6. Final Ranking and Award.

- A. After any best and final offer process conducted, the Issuing Office will combine the evaluation committee's final technical scores, BSBO's final small diverse business participation scores, the final cost scores, and (when applicable) the domestic workforce

utilization scores, in accordance with the relative weights assigned to these areas as set forth in this Part.

- B. The Issuing Office will rank responsible offerors according to the total overall score assigned to each, in descending order.
- C. The Issuing Office must select for contract negotiations the offeror with the highest overall score; PROVIDED, HOWEVER, THAT AN AWARD WILL NOT BE MADE TO AN OFFEROR WHOSE PROPOSAL RECEIVED THE LOWEST TECHNICAL SCORE AND HAD THE LOWEST COST SCORE OF THE RESPONSIVE PROPOSALS RECEIVED FROM RESPONSIBLE OFFERORS. IN THE EVENT SUCH A PROPOSAL ACHIEVES THE HIGHEST OVERALL SCORE, IT SHALL BE ELIMINATED FROM CONSIDERATION AND AWARD SHALL BE MADE TO THE OFFEROR WITH THE NEXT HIGHEST OVERALL SCORE.
- D. The Issuing Office has the discretion to reject all proposals or cancel the request for proposals, at any time prior to the time a contract is fully executed, when it is in the best interests of the Commonwealth. The reasons for the rejection or cancellation shall be made part of the contract file.

PART IV
WORK STATEMENT

Background.

The Commonwealth of Pennsylvania, Public School Employees' Retirement System (PSERS) is the administrator of a cost-sharing multiple-employer defined benefit retirement system established by the Commonwealth of Pennsylvania to provide pension benefits for employees of the public school system in the Commonwealth. PSERS' funding policy provides for periodic member contributions at statutory rates and employer contributions at actuarially determined rates that are sufficient to accumulate assets to pay defined benefits when due. As provided by statute, the PSERS' Board of Trustees (Board) has exclusive control and management responsibility of PSERS' fund and full power to invest the fund. In exercising its fiduciary responsibility to PSERS' membership, the Board is governed by the "prudent investor" rule and has adopted a Statement of Investment Policy to formally document investment objectives and responsibilities. This policy, as well as applicable state law, defines permissible investments for PSERS. The Investment Policy Statement, Objectives, and Guidelines can be obtained on the internet at <http://www.psers.state.pa.us/invest/guide/index.htm>.

The market value of PSERS' net assets totaled approximately \$50.8 billion as of December 31, 2014. Based on this valuation of its assets, PSERS is the 14th largest defined benefit public pension fund in the nation. A copy of the Fund's most recent comprehensive annual financial report can be obtained on the internet at <http://www.psers.state.pa.us/Publications/general/cafr.htm>. The Board needs proxy research and proxy voting services to fulfill its fiduciary duties with respect to the PSERS' fund.

IV-1. Scope of Services.

a. General. The purpose of this Request for Proposals is to solicit proposals from one or more qualified firms to provide complete Proxy Research and Voting Services. This includes but is not limited to (1) Proxy Policy Development – proxy policy development and consulting services to assist PSERS with the review and continued development of PSERS' proxy voting policy; (2) Proxy Research and Voting – proxy research, analysis, recommendation, and voting services; and (3) Proxy Vote Disclosure services.

b. Specific.

1. Proxy Development Services.

- i) Work with PSERS to develop a Proxy Voting strategy that is consistent with fiduciary responsibilities and is integrated into PSERS' U.S. and Non-U.S. Proxy Voting Policies.

- ii) Review and discuss PSERS' existing Proxy Voting Policies and ascertain the appropriateness of the current policy for PSERS in the current corporate governance landscape.
- iii) Provide proxy guideline development services and make improvements to PSERS' Proxy Voting Policy as necessary.
- iv) Provide Proxy Voting Policy updates at least annually.

2. Proxy Voting and Management Services.

- i) Manage PSERS' U.S. and non-U.S. proxy voting activity and execute required votes on PSERS' behalf in accordance with the proxy voting guidelines provided by PSERS. Monitor meeting schedules and agendas, and receive, open, and document all physical proxy voting ballots.
- ii) Provide record keeping and maintain detailed records of all recommended and actual votes and special instructions. Also provide comprehensive written proxy voting reports as requested.
- iii) Track and monitor the holdings of PSERS' U.S. and non-U.S. equity portfolios and obtain required proxy voting information from PSERS' custodian bank. Reconcile with the custodian bank any discrepancies, including but not limited to holdings, ballots, numbers of shares held, proxies to be voted, votes against management, votes with management, and votes withheld.
- iv) Provide proxy voting research and analysis, including in-depth and impartial research and financial and economic analysis with emphasis on shareholder value. Issues might include, but are not limited to, accounting practices, financial transparency, independence of the board, quality of board oversight, pay-for-performance equity based compensation, and mergers and acquisitions.
- v) Provide clear definitive recommendations on case-by-case issues that cannot be voted with ease or certainty pursuant to guidelines. Provide customized recommendations when warranted as well as personalized assistance, advice, and discussion of governance issues, legislative issues, SEC issues, voting policies, and specific analyses and recommendations.
- vi) Provide PSERS with an appropriate database of information on research and analysis for each proxy proposal to be voted upon on behalf of PSERS, and provide PSERS access to research and analyses of proxy proposals through a web-based accessible research platform.
- vii) Keep PSERS informed of proxy voting and corporate governance changes and developments and provide PSERS with regular access to any meetings,

conference calls, and/or web casts that might provide timely information on specific issues of concern regarding corporate governance. Prepare and assist in the preparation of reports on proxy voting and corporate governance issues.

- viii) Provide on-site training to PSERS and the Board, as needed, but in no case more than two days in any one calendar year.

3. Proxy Vote Disclosure Services

- i) Provide a web-based search and presentation mechanism for disclosure and a short description of any archived proxy votes cast on behalf of PSERS for all meetings where a ballot has been cast, via a link on PSERS' web site.
- ii) Provide reporting of PSERS' proxy votes no more than two business days after the date of the proxy meeting.

IV-2. Reports and Project Control. PSERS expects that written vote analysis for every company in PSERS' U.S. and non-U.S. equity portfolios will be available in written form no later than seven (7) business days in advance of the last day on which the ballot may be cast. The contractor shall cast all ballots in a timely manner. The contractor shall disclose PSERS' proxy votes to the public no more than two business days after the date of each proxy meeting by a link on PSERS' website. The contractor shall maintain an electronic database of PSERS' votes, make the database accessible to PSERS, and prepare the following monthly reports to PSERS that summarizes the votes cast on behalf of PSERS:

- a. Vote Summary Report.** This report should include company name, CUSIP or SEDOL number, meeting date, record date, type of meeting, ballot issues, management vote recommendation, PSERS' vote, and number of shares voted.
- b. Issues Summaries Report.** This report should include identification of issue, total number of meetings, and vote (for, against, withhold, abstain, split, with or against management, and unvoted).
- c. Votes Against Management Report.** This report should include company, meeting date, issue, management recommendation, and actual vote.
- d. Meeting and Ballot Report.** This report should include the total number of U.S. and non-U.S. meetings and ballots voted on behalf of PSERS.
- e. Custom Reports.** These reports would be provided on an ad hoc basis as may be reasonably required in connection with the services provided by the contractor.

IV-3. Requirements.

A. Emergency Preparedness.

To support continuity of operations during an emergency, including a pandemic, the Commonwealth needs a strategy for maintaining operations for an extended period of time. One part of this strategy is to ensure that essential contracts that provide critical business services to the Commonwealth have planned for such an emergency and put contingencies in place to provide needed goods and services.

1. Describe how you anticipate such a crisis will impact your operations.
2. Describe your emergency response continuity of operations plan. Please attach a copy of your plan, or at a minimum, summarize how your plan addresses the following aspects of pandemic preparedness:
 - a) Employee training (describe your organization's training plan, and how frequently your plan will be shared with employees)
 - b) Identified essential business functions and key employees (within your organization) necessary to carry them out
 - c) Contingency plans for:
 - i.) How your organization will handle staffing issues when a portion of key employees are incapacitated due to illness.
 - ii.) How employees in your organization will carry out the essential functions if contagion control measures prevent them from coming to the primary workplace.
 - d) How your organization will communicate with staff and suppliers when primary communications systems are overloaded or otherwise fail, including key contacts, chain of communications (including suppliers), etc.
 - e) How and when your emergency plan will be tested, and if the plan will be tested by a third-party.

IV 4. Contract Requirements—Small Diverse Business Participation.

All contracts containing Small Diverse Business participation must also include a provision requiring the selected contractor to meet and maintain those commitments made to Small Diverse Businesses at the time of proposal submittal or contract negotiation, unless a change in the commitment is approved by the BSBO. All contracts containing Small Diverse Business participation must include a provision requiring Small Diverse Business subcontractors to perform at least **50%** of the subcontracted work.

The selected contractor's commitments to Small Diverse Businesses made at the time of proposal submittal or contract negotiation shall, to the extent so provided in the commitment, be

maintained throughout the term of the contract and through any renewal or extension of the contract. Any proposed change must be submitted to BSBO, which will make a recommendation to the Contracting Officer regarding a course of action.

If a contract is assigned to another contractor, the new contractor must maintain the Small Diverse Business participation of the original contract.

The selected contractor shall complete the Prime Contractor's Quarterly Utilization Report (or similar type document containing the same information) and submit it to the contracting officer of the Issuing Office and BSBO within **10** workdays at the end of each quarter the contract is in force. This information will be used to determine the actual dollar amount paid to Small Diverse Business subcontractors and suppliers. Also, this information will serve as a record of fulfillment of the commitment the selected contractor made and for which it received Small Diverse Business participation points. If there was no activity during the quarter then the form must be completed by stating "No activity in this quarter."

NOTE: EQUAL EMPLOYMENT OPPORTUNITY AND CONTRACT COMPLIANCE STATEMENTS REFERRING TO COMPANY EQUAL EMPLOYMENT OPPORTUNITY POLICIES OR PAST CONTRACT COMPLIANCE PRACTICES DO NOT CONSTITUTE PROOF OF SMALL DIVERSE BUSINESS STATUS OR ENTITLE AN OFFEROR TO RECEIVE CREDIT FOR SMALL DIVERSE BUSINESS UTILIZATION.

APPENDIX A

SAMPLE RIDER INCLUDING TERMS AND CONDITIONS

RIDER __

CONSULTANT TERMS AND CONDITIONS

The following terms and conditions shall apply at all times to the provision of hedge fund investment consulting services by _____ (“CONSULTANT”) pursuant to any purchase order:

1. Reimbursement of Travel Expenses. CONSULTANT shall reimburse the Public School Employees’ Retirement System (“PSERS”) for the reasonable travel expenses actually incurred by PSERS, if any, for each contract year (i) for travel to CONSULTANT’s location to discuss the services, organization changes and other pertinent matters and (ii) to attend conferences, training, seminars or similar events sponsored by CONSULTANT. Reimbursable expenses shall include airfare, automobile rental, lodging, meals, consultant-sponsored meeting registration fees, and other travel-related expenses at maximum allowance rates established by the Commonwealth Management Directive 230.10 as revised, Travel and Subsistence Allowances. The reimbursable expenses for each of (i) or (ii), above, shall not exceed \$10,000 per calendar year. PSERS shall submit a properly documented claim for reimbursement of such travel expenses, which CONSULTANT shall pay within 30 days after receipt.

2. Compensation. The CONSULTANT’S compensation for performing services shall be at a fixed rate per year, billed quarterly in advance.

3. Indemnification. The CONSULTANT shall hold and save harmless the Commonwealth of Pennsylvania, PSERS, the Public School Employees’ Retirement Board collectively and its members and their designees individually (together, the “Board”) and the PSERS’ fund (“Fund”), their beneficiaries, directors, officers, agents, and employees, from and against claims, demands, actions, or liability of any nature, including attorneys' fees and court costs, based upon or arising out of any services performed, or the failure to perform services by the CONSULTANT, its directors, officers, employees, and agents under the Purchase Order taken together with any attachments thereto including this Rider __ (this “Agreement”). The CONSULTANT shall defend at its expense actions brought against the Commonwealth of Pennsylvania, PSERS, the Board and/or the Fund, and the costs of such defense shall be borne by the CONSULTANT and shall not constitute any expense of, nor shall be paid out of, Fund, Board or Commonwealth of Pennsylvania assets.

4. Unauthorized Liabilities. The CONSULTANT shall not enter into any agreement by or on behalf of PSERS or the BOARD that (i) is binding on PSERS or allows, either expressly or by operation of law, recourse to PSERS and (ii) creates any actual or potential liability on the part of PSERS that exceeds the scope of authority delegated to the CONSULTANT under this Agreement

or (iii) waives any of PSERS' rights, defenses, causes of action, or immunities. Liabilities that are not authorized by PSERS and prohibited by this Section 4 include, without limitation, any obligation on the part of PSERS to indemnify a third party or to pay attorney fees, legal expenses, penalties, or liquidated damages.

5. The CONSULTANT's Insurance. The CONSULTANT shall maintain during any period in which it is providing services a policy of errors and omissions insurance for the protection of the Fund, with a limit of liability of at least \$5,000,000 to cover the CONSULTANT, its officers, and its affiliates to the extent any affiliate performs services under this Agreement. Unless otherwise approved by PSERS, the maximum deductible on the errors and omissions policy shall be no greater than \$1,000,000. The CONSULTANT shall submit copies of the actual policies of said insurance as directed by PSERS, and PSERS shall cause to be issued a written determination on compliance. CONSULTANT shall thereafter maintain annual filings of current certificates of insurance with PSERS. If the CONSULTANT changes insurance carriers for insurance required hereunder, CONSULTANT shall submit copies of the actual policies of said insurance as directed by PSERS. The errors and omissions policy shall contain a provision or endorsement that coverage afforded thereunder shall not be canceled or changed until the underwriter has furnished PSERS at least 30 days' prior written notice of any cancellation or change. PSERS may, in its discretion, require such changes with respect to insurance coverage as it deems appropriate for the protection of the Fund by giving written notice of such changes to the CONSULTANT at least 30 days in advance of the effective date for such changes.

6. The CONSULTANT as an Independent Contractor. The CONSULTANT shall perform its services as an independent contractor, and CONSULTANT acknowledges that it maintains Workers' Compensation Insurance and shall accept full responsibility for the payments of premiums for Workers' Compensation Insurance and Social Security, as well as all income tax deductions and other taxes or payroll deductions required by law for itself for performing services.

7. Changes in the CONSULTANT's Status. The CONSULTANT shall provide immediate written notice to PSERS of any change in the Consultant's status, including, without limitation, change in directors, officers, or employees who consult on PSERS' account; modification of the business organization; material change in SEC or other government or private registration, accreditation, or licensing; material deterioration of financial condition including but not limited to the filing of petition in bankruptcy; the Consultant's awareness that its representations and warranties herein cease to be true; and litigation alleging the Consultant's negligence or fraud.

8. Conflict of Interest. The CONSULTANT covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. CONSULTANT further covenants that, in the performance of this Agreement, it will not knowingly engage any other person having such interest.

9. Assignment or Transfer. No interest herein, nor any claim arising hereunder shall be transferred or assigned by either party to any other party or parties.

10. Reporting Political Contributions. The CONSULTANT (i) understands and acknowledges that it is subject to the reporting requirements set forth in 25 P.S. § 3260a., (ii) if required to file a report, confirms that it has submitted to PSERS' Executive Director a copy of its current report to the Secretary of the Commonwealth of Pennsylvania, and (iii) hereby agrees, if required to file a report, to submit a copy of each successive report to PSERS' Executive Director by February 15 of each year during the term of this Agreement. CONSULTANT further agrees that for each year in which CONSULTANT is not required to file a report, it will submit a letter to PSERS' Executive Director by February 15 confirming that CONSULTANT is not required to file a report for the year.

11. Termination. The performance of services may be terminated by PSERS in whole or, from time to time, in part, whenever for any reason the Contracting Officer shall determine that such termination is in the best interest of PSERS. Any such termination shall be effected by delivery to the CONSULTANT of a written notice of termination specifying the extent to which performance of the work under the contract is terminated and the date on which such termination becomes effective. In the event of termination, fees for services shall be prorated and paid or repaid. Such termination shall not relieve CONSULTANT of any liability that may be incurred for its activities in connection with the providing of services.

12. Confidentiality. The CONSULTANT shall not publish or otherwise disclose, except to PSERS and except matters of public record, any information or data obtained hereunder from private individuals, organizations, or public agencies, in a publication whereby the information or data furnished by or about any particular person or establishment can be identified as relating to PSERS or its responsibilities, except with the consent of such person or establishment.

13. Confidentiality of Reports, etc. The CONSULTANT agrees that any specific plans, material, records, etc., developed during the performance of services remain the property of PSERS, and reproduction or duplication of such materials may be done only with the approval of the Contracting Officer.

14. Contracting Officer. The Contracting Officer on behalf of PSERS shall be PSERS' Executive Director.

15. Maintenance, Preservation, and Review of Records. CONSULTANT shall maintain such records, books, and accounts pertaining to services and payments hereunder in accordance with generally accepted accounting principles consistently applied. All such records, books, and accounts shall be maintained and preserved during the term of this Agreement and any extension thereof and for four years thereafter. During such period, PSERS, or any other department or representative of the Commonwealth of Pennsylvania, from time to time upon reasonable notice, shall have the right to inspect, duplicate, and audit such records, books, and accounts for all purposes authorized and permitted by law. CONSULTANT may preserve such

records, books, and accounts in original form or on microfilm, magnetic tape, or any other generally recognized and accepted process.

16. Notices. Any notice, demand, direction, instruction, or other communication required or permitted hereunder shall be confirmed in writing and shall be sufficiently given for all purposes when sent (a) by certified or registered U.S. mail, postage prepaid, (b) by a nationally recognized courier service that maintains verification of actual delivery, (c) by facsimile, with a copy sent by first class U.S. mail (provided that if the date of dispatch is not a working day, the facsimile shall be deemed to have been received at the opening of business of the addressee on the next working day), or (d) by delivering the same in person to any party at the following addresses or such other addresses as may be designated in writing from time to time by the parties:

BOARD: Glen R. Grell, Executive Director
Commonwealth of Pennsylvania,
Public School Employees' Retirement System
5 North Fifth Street
Harrisburg, Pennsylvania 17101

CONSULTANT: _____

17. Reservation of Immunities. PSERS reserves all immunities, defenses, rights, or actions arising out of its status as a sovereign entity or from the Eleventh Amendment to the United States Constitution. No provision of this Agreement shall be construed as a waiver of any such immunities, defenses, rights, or actions.

18. Certification of Taxpayer Identification Number. Execution of this Agreement constitutes certification by CONSULTANT that (a) the number appearing on the PROPOSAL COVER SHEET is Consultant's correct taxpayer identification number, and (b) CONSULTANT is not subject to backup withholding because (i) CONSULTANT is exempt from backup withholding, (ii) CONSULTANT has not been notified by the IRS that it is subject to backup withholding as a result of a failure to report all interest or dividends, or (iii), the IRS has notified CONSULTANT that it is no longer subject to backup withholding.

19. Applicable Law; Binding Effect. The provision of services shall be governed by the laws of the Commonwealth of Pennsylvania and, for all purposes, shall be construed in accordance with said laws and the decisions of the courts of the Commonwealth of Pennsylvania therein, and shall be binding upon the successors and assigns of the parties thereto.

20. Severability. If any one or more of the covenants, agreements, provisions, or terms of this Agreement shall be held contrary to any express provision of law, or contrary to the policy of express law though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements, provisions, or terms shall be deemed

severable from the remaining covenants, agreements, provisions, or terms of this Agreement and shall in no way affect the validity or enforceability of the rights of the CONSULTANT or the Commonwealth of Pennsylvania.

21. Headings. The headings and captions in this Rider __ are for convenience and reference purposes only and shall not be construed or deemed to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions hereof.

CONSULTANT
TERMS AND CONDITIONS

Purchase Order Number: _____

Acknowledged and agreed,

COMMONWEALTH OF PENNSYLVANIA,
PUBLIC SCHOOL EMPLOYEES'
RETIREMENT SYSTEM

By: _____
Title: _____

By: _____
Title: _____

[NAME OF VENDOR] _____

By: _____
Title: _____

APPENDIX B

Standard Commonwealth Contract Terms and Conditions

Please refer to this website for Commonwealth Standard Contract Terms and Conditions (BOP-1203):

<http://www.dgsweb.state.pa.us/comod/CurrentForms/BOP-1203.doc>

APPENDIX C

INVESTMENT POLICY STATEMENT, OBJECTIVES, AND GUIDELINES

Please refer to this website for the Investment Policy Statement, Objectives and Guidelines:

<http://www.psers.state.pa.us/investment/guide/guide.htm>

APPENDIX E
DOMESTIC WORKFORCE UTILIZATION CERTIFICATION

To the extent permitted by the laws and treaties of the United States, each proposal will be scored for its commitment to use the domestic workforce in the fulfillment of the contract. Maximum consideration will be given to those offerors who will perform the contracted direct labor exclusively within the geographical boundaries of the United States or within the geographical boundaries of a country that is a party to the World Trade Organization Government Procurement Agreement. Those who propose to perform a portion of the direct labor outside of the United States and not within the geographical boundaries of a party to the World Trade Organization Government Procurement Agreement will receive a correspondingly smaller score for this criterion. In order to be eligible for any consideration for this criterion, offerors must complete and sign the following certification. This certification will be included as a contractual obligation when the contract is executed. Failure to complete and sign this certification will result in no consideration being given to the offeror for this criterion.

I, _____ [title] of _____ [name of Contractor] a _____ [place of incorporation] corporation or other legal entity, (“Contractor”) located at _____ [address], having a Social Security or Federal Identification Number of _____, do hereby certify and represent to the Commonwealth of Pennsylvania (“Commonwealth”) (Check **one** of the boxes below):

All of the direct labor performed within the scope of services under the contract will be performed exclusively within the geographical boundaries of the United States or one of the following countries that is a party to the World Trade Organization Government Procurement Agreement: Aruba, Austria, Belgium, Bulgaria, Canada, Chinese Taipei, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Liechtenstein, Lithuania, Luxemburg, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Singapore, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, and the United Kingdom

OR

_____ percent (_____ %) [Contractor must specify the percentage] of the direct labor performed within the scope of services under the contract will be performed within the geographical boundaries of the United States or within the geographical boundaries of one of the countries listed above that is a party to the World Trade Organization Government Procurement Agreement. Please identify the direct labor performed under the contract that will be performed outside the United States and not within the geographical boundaries of a party to the World Trade Organization Government Procurement Agreement and identify the country where the direct labor will be performed:

[Use additional sheets if necessary]

The Department of General Services [or other purchasing agency] shall treat any misstatement as fraudulent concealment of the true facts punishable under Section 4904 of the *Pennsylvania Crimes Code*, Title 18, of Pa. Consolidated Statutes.

Attest or Witness:

Corporate or Legal Entity's Name

Signature/Date

Signature/Date

Printed Name/Title

Printed Name/Title

**APPENDIX F - PROPOSAL COVER SHEET
COMMONWEALTH OF PENNSYLVANIA
Public School Employees' Retirement System (PSERS)
RFP# PSERS RFP 2015-5**

Enclosed in three separately sealed submittals is the proposal of the Offeror identified below for the above-referenced RFP:

Offeror Information:	
Offeror Name	
Offeror Mailing Address	
Offeror Website	
Offeror Contact Person	
Contact Person's Phone Number	
Contact Person's Facsimile Number	
Contact Person's E-Mail Address	
Offeror Federal ID Number	
Offeror SAP/SRM Vendor Number	

Submittals Enclosed and Separately Sealed:	
<input type="checkbox"/>	Technical Submittal
<input type="checkbox"/>	Small Diverse Business Participation Submittal
<input type="checkbox"/>	Cost Submittal

<i>Signature</i>	
Signature of an official authorized to bind the Offeror to the provisions contained in the Offeror's proposal:	
Printed Name	
Title	

FAILURE TO COMPLETE, SIGN AND RETURN THIS FORM WITH THE OFFEROR'S PROPOSAL MAY RESULT IN THE REJECTION OF THE OFFEROR'S PROPOSAL

APPENDIX G

**SMALL DIVERSE BUSINESS
LETTER OF INTENT**

[DATE]

[SDB Contact Name
Title
SDB Company Name
Address
City, State, Zip]

Dear [SDB Contact Name]:

This letter serves as confirmation of the intent of [Offeror] to utilize [Small Diverse Business (SDB)] on RFP [RFP number and Title] issued by the [Commonwealth agency name].

If [Offeror] is the successful vendor, [SDB] shall provide [identify the specific work, goods or services the SDB will perform, and the specific timeframe during the term of the contract and any option/renewal periods when the work, goods or services will be performed or provided].

These services represent [identify fixed numerical percentage commitment] of the total cost in the [Offeror's] cost submittal for the initial term of the contract. Dependent on final negotiated contract pricing and actual contract usage or volume, it is expected that [SDB] will receive an estimated [identify associated estimated dollar value that the fixed percentage commitment represents] during the initial contract term.

[SDB] represents that it meets the small diverse business requirements set forth in the RFP and all required documentation has been provided to [Offeror] for its SDB submission.

We look forward to the opportunity to serve the [Commonwealth agency name] on this project. If you have any questions concerning our small diverse business commitment, please feel free to contact me at the number below.

Sincerely,

Acknowledged,

Offeror Name
Title
Company
Phone number

SDB Name
Title
Company
Phone number

APPENDIX H

Trade Secret Confidential Proprietary Information Notice Form

http://www.dgs.pa.gov/Documents/Procurement%20Forms/TradeSecret_ConfidentialProprietaryInfoNotice.pdf