

District of Columbia Retirement Board (DCRB)

Request for Proposals for External Audit Services

Solicitation Number: DCRB-13-015



Release Date: May 23, 2013

Eric Stanchfield, Executive Director
900 7th Street, N.W. Second Floor, Washington, DC 20001

SOLICITATION, OFFER, AND AWARD			1. Caption External Audit Service		Page of Pages 1 53		
2. Contract Number		3. Solicitation Number DCRB-13-015		4. Type of Solicitation <input type="checkbox"/> Sealed Bid (IFB) <input checked="" type="checkbox"/> Sealed Proposals (RFP) <input type="checkbox"/> Sole Source <input type="checkbox"/> Human Care Agreements <input type="checkbox"/> Emergency		5. Date Issued 5/23/2013	
7. Issued By: District of Columbia Retirement Board Procurement 900 7th Street, NW, 2nd Floor Washington, DC 20001		8. Address Offer to: District of Columbia Retirement Board Procurement 900 7th Street, NW, 2nd Floor Washington, DC 20001		6. Type of Market <input checked="" type="checkbox"/> Open <input type="checkbox"/> Set Aside (CBE Market) <input type="checkbox"/> Open with Sub-Contracting Set Aside			

SOLICITATION

9. Sealed offers in original and 1 copies for furnishing the supplies or services in the Schedule will be received at the place specified in Item 8, or if hand carried to the bid counter located at Above Address until 17:00 local time 25-Jun-13
(Hour) (Date)

CAUTION: Late Submissions, Modifications and Withdrawals: See Solicitation. All offers are subject to all terms & conditions contained in this solicitation.

10. For Information Contact		A. Name Yolanda Smith		B. Telephone (Area Code) 202 (Number) 343-3200 (Ext)		C. E-mail Address yolanda.smith@dc.gov	
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OFFER

12. In compliance with the above, the undersigned agrees, if this offer is accepted within 120 calendar days from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the price set opposite each item, delivered at the designated point(s), within the time specified herein.

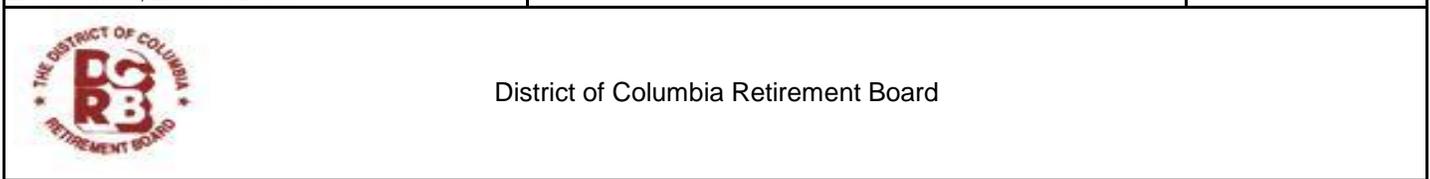
13. Discount for Prompt Payment 10 Calendar days % 20 Calendar days % 30 Calendar days % ___ Calendar days %

14. Acknowledgement of Amendments (The offeror acknowledges receipt of amendments to the SOLICITATION):	Amendment Number	Date	Amendment Number	Date

15A. Name and Address of Offeror		16. Name and Title of Person Authorized to Sign Offer/Contract			
15B. Telephone (Area Code) (Number) (Ext)		15 C. Check if remittance address is different from above - Refer to Section G <input type="checkbox"/>		17. Signature	
				18. Offer Date	

AWARD (TO BE COMPLETED BY GOVERNMENT)

19. Accepted as to Items Numbered		20. Amount		21. Accounting and Appropriation	
22. Name of Contracting Officer (Type or Print) Eric Stanchfield, Executive Director		23. Signature of Contracting Officer (District of Columbia)			24. Award Date



I. OVERVIEW

A. Introduction

The District of Columbia Retirement Board (DCRB) is an independent District of Columbia government agency pursuant to the District of Columbia Retirement Reform Act, as amended (Reform Act). In accordance with the Reform Act and the Police Officers, Fire Fighters and Teachers Retirement Benefit Replacement Plan Act (Replacement Plan Act), the Board is responsible for managing the investments of the Retirement Funds. DCRB also manages retirement and post-employment benefit programs for participants and beneficiaries of those Funds.

DCRB works closely with various external agencies in administering retirement benefits and disbursements, most notably the U.S. Department of Treasury's Office of District of Columbia Pensions (ODCP) in conjunction with the Bureau of Public Debt (BPD), District of Columbia Public Schools (DCPS) and the Office of the Chief Technology Officer (OCFO).

B. Objective

DCRB seeks an independent qualified public accounting firm ("Offeror") to perform an external audit of the financial statements of the District of Columbia Teachers' Retirement Fund and the District of Columbia Police Officers and Fire Fighters' Retirement Fund, collectively referred to as "the Funds" in conjunction with the applicable guidelines and standards by the American Institute of Certified Public Accountants (AICPA) and Governmental Accounting Standards Board (GASB). The audit shall be conducted annually and in accordance with generally accepted auditing standards and shall involve measurable tests of the financial records of the Funds as deemed necessary by the Certified Public Accountant (CPA). The DCRB anticipates making an award to a single contractor for five (5) years. The contract will be made on firm fixed price basis.

C. Scope Of Work

The audit shall be conducted in accordance with the all applicable standards. The Offeror will evaluate the adequacy of the internal financial controls with emphasis on areas vulnerable to fraud and abuse and the adequacy of the DCRB's current financial policies and procedures. The objectives of this engagement are to:

- Determine the effectiveness of existing internal financial controls, operational policy and procedures that focuses on the procuring of goods and services, payroll and personnel position controls.
- Identify any areas that are vulnerable to fraud and/or abuse in order to assess the extent, if any, which vulnerabilities may have been exploited in previous years by conducting a

fraud vulnerability assessment in accordance with SAS 99.

- Issue an audit report on the financial statements in accordance with applicable accounting and auditing standards.

In addition with working with the DCRB staff, the Offeror will make presentations to the Board and its Operations Committee at the request of DCRB.

In addition to the audit (Basic Services), the DCRB may request the Contractor to provide supplemental consulting services as may be required by the Board to fulfill its statutory and regulatory responsibilities and/or to accomplish other related objectives. This work will be commissioned on an ad hoc basis by way of a task order and shall be subject to the appropriation of funds.

D. Deliverables

Deliverable Due Date	Deliverable	Description of Deliverable	DCRB's Acceptance Criteria
Within ten (10) business days of contract award	Work Plan	Based on the Scope of Work in Section C of this solicitation, the Contractor is to develop an initial "Work Plan" that will provide a timeline for completion of the items required, and the description of work to be performed. This time line may be adjusted upon mutual consent of the Board and the Contractor.	The Work Plan must be comprehensive enough to meet the deliverable schedule and other requirements stated within the scope of work. DCRB will have fifteen (15) business days to accept and finalize the proposed Work Plan.
Within 30 calendar days of contract award	Data Request	The Offeror shall provide the Board with a written statement of all data and information needed to perform the services under the contract. The statement will include the date by which the data and information is to be delivered to allow the services to meet the schedule specified in Section C.	At minimum, the Data Request will include a description of data needed, the time and date by which the information must be provided to the Offeror and the methodology of submitting the data to the offeror. The format of the Data Request will be in a format agreed upon between DCRB and the Offeror.

<p>Monthly Status Report Due the 15th of each month for previous month</p>	<p>Monthly Status Report</p>	<p>The Offeror shall submit a monthly status report summarizing all work performed during the reporting period referenced by the proper description. The report will include work performed, invoice for and paid to date. In addition the report will provide a projected work scheduled. All problems the contractor incurs and anticipates that will prevent him from completing work according to the schedule must be reported.</p>	<p>At minimum, the report must contain an executive summary page reflecting the period reporting on. A listing of all work in progress, work completed and date completed and work to be completed and estimated date of completion.</p>
<p>Draft Audit Report Due December 20th each year</p>	<p>Draft Audit Report</p>	<p>In accordance with applicable reporting requirements of D.C. Code §1-903.06 and General Accounting Standards Board (GASB), the Contractor shall provide the draft audited financial statements of The Teachers and Police Officers' and Firefighters' Retirement Plans. The report shall include recommendations regarding any additional audit or fraud monitoring or examination work that may be needed to determine the impact, magnitude, or duration of any fraud that may have occurred in the areas assessed as having deficiencies or weaknesses at risk for fraud. Additionally, a management letter will be executed explaining areas that the Offeror determines should be communicated to the Agency outside of the audited financial statements.</p>	<p>The Offeror will provide the Board with 25 paper copies and one electronic copy of all reports and certifications under Section C. All reports, opinions, determinations, certifications, and the like required by D.C. Official Code Sections §1-903.06 shall be delivered in final form to the Board no later than January 15 of the year following the prior fiscal year.</p>
<p>As Needed</p>	<p>Meetings with the Board</p>	<p>The Offeror shall provide an oral briefing to the Board of Trustees, the Operations Committee and senior staff when requested by DCRB.</p>	<p>The Offeror will be required to meet with the Board and sub-committees at least two times per year. Other meeting request will be at the request of DCRB to the Offeror.</p>

E. Schedule Of Events

The following is the estimated schedule of events related to this RFP process. Dates listed below may be amended as appropriate by DCRB. Offerors will be notified of any changes via e-mail.

Activity	Scheduled Date
Release of RFP	May 23, 2013
Deadline for Questions	May 31, 2013
DCRB Response to Offerors' Questions	June 7, 2013
Proposal Due Date	June 25, 2013

F. Point Of Contact

This RFP is issued by DCRB and is subject to the Board's lock-out rule, procurement and conflict of interest rules (Appendix C). Further, from the issue date of this RFP until a successful Offeror is selected, there shall be no communication by Offerors with any DCRB Board or staff members other than the DCRB designee. Failure to comply with this provision of the procurement will result in Proposal rejection and disqualification.

For all matters and questions relating to this RFP the point of contact is:

Name: Yolanda Smith
Address: District of Columbia Retirement Board
900 7th Street NW; Suite 200
Washington, D.C. 20001
Telephone: (202) 343-3200 FAX: (202) 566-5000
E-Mail: Yolanda.Smith@dc.gov

G. Questions and RFP Amendment

All Offeror questions must be submitted in writing via e-mail to Yolanda Smith. All questions must include the name of the firm and the name of the submitter. Responses to all questions received in proper time frames will be made in writing and distributed to all Offerors participating in this RFP.

Questions will not be accepted via telephone. No oral communication provided by any DCRB staff will be considered binding on DCRB.

Any interpretation, correction or change to this RFP will be made by an amendment issued by DCRB. Interpretations, corrections or changes to the RFP made in any other manner will not be binding.

No amendments will be issued by DCRB within 48 hours of the final submission date and time without a corresponding extension of the submission deadline.

H. Evaluation of Responses

Proposals must be as succinct as possible while providing an accurate picture of the offeror's ability to meet the needs of DCRB in a thorough, accurate, responsive and cost-effective manner. DCRB will evaluate all proposals to determine the offeror who DCRB believes will best serve the interest of the participants and beneficiaries. The Board will evaluate cost and other factors. Only proposals from offerors that propose a qualified certified public accountant (CPA) will be evaluated. The Operations Committee of the Board will review the finalist(s) recommended by the Board staff. The Board will make the final selection of an offeror and authorize a contract award.

The following presents the evaluation criteria to be used by the Board staff to recommend the finalist(s) to the Operations Committee.

Criteria
Proposed Methodology/Technical Understanding
Quality of Personnel – Offeror will be evaluated on the quality and qualifications of personnel proposed for this engagement based on their experience, education, and certification (CPA) requirements specified in Section I. Proposal Preparation, subsection I. Proposal Contents (v.) Proposed Team
Public Pension Plan Experience

Local, Small, and Disadvantaged Business Enterprise offeror will receive preference points. (Proposal must include documentation of current certification of registration under District law (D.C. Official Code Section 2-217.04 (2001) at the time of submission).

A. APPLICATION OF PREFERENCES

For evaluation purposes, the allowable preferences under this section shall be applicable to contractors as follows:

- Any contractor that is a small business enterprise (SBE) certified by the Department of Small and Local Business Development (DSLBD) will receive a three percent (3%) reduction in the proposal price for a proposal submitted by the SBE in response to this Request for Proposals (RFP).
- Any contractor that is a resident-owned business (ROB) certified by DSLBD will receive a five percent (5%) reduction in the proposal price for a proposal submitted by the ROB in response to this RFP.

- Any contractor that is a longtime resident business (LRB) certified by DSLBD will receive a five percent (5%) reduction in the proposal price for a proposal submitted by the LRB in response to this RFP.
- Any contractor that is a local business enterprise (LBE) certified by DSLBD will receive a two percent (2%) reduction in the proposal price for a proposal submitted by the LBE in response to this RFP.
- Any contractor that is a local business enterprise with its principal offices located in an enterprise zone (DZE) certified by DSLBD will receive a two percent (2%) reduction in the proposal price for a proposal submitted by the DZE in response to this RFP.
- Any contractor that is a disadvantaged business enterprise (DBE) certified by DSLBD will receive a two percent (2%) reduction in the proposal price for a proposal submitted by the DBE in response to this RFP.
- Any contractor that is a veteran-owned business (VOB) certified by DSLBD will receive a two percent (2%) reduction in the proposal price for a proposal submitted by the VOB in response to this RFP.
- Any contractor that is a local manufacturing business enterprise (LMBE) certified by DSLBD will receive a two percent (2%) reduction in the proposal price for a proposal submitted by the LMBE in response to this RFP.

The DCRB will not accept any proposal that has sub-contracting as part of its proposal response.

B. MAXIMUM PREFERENCE AWARDED

Notwithstanding the availability of the preceding preferences, the maximum total preference to which a certified business enterprise is entitled under the Act is twelve per cent (12%) for price proposals submitted in response to this RFP.

C. CONTRACT AWARD

DCRB intends to award a single firm fixed price contract resulting from this solicitation to the responsible offeror whose offer conforming to the solicitation will be most advantageous to the DCRB, cost or price, technical and other factors, specified elsewhere in this solicitation considered. Award will be made to the Offeror whose offer is judged to be, based on an integrated assessment of the evaluation criteria, to be the most advantageous to DCRB with technical factors having a greater importance than price.

Offerors are advised that award may be made without discussion or any contact with the offerors concerning the offers received. Therefore, offers should be submitted initially on the most favorable terms that the offer can submit.

- (a) Price evaluation will be based on the sum of the total estimated prices of the base contract and any options.
- (b) Affordability. The price proposals will be assessed for affordability. DCRB will not make an award for any proposal which proposes prices that would render the procurement infeasible.

D. TECHNICAL EVALUATION RATING

Each evaluation criteria will be rated using the Adjectival scoring method as follows:

<u>Adjective</u>	<u>Description</u>
Unacceptable	Fails to meet minimum requirements; e.g., no demonstrated capacity, major deficiencies which are not correctable; offeror did not address the evaluation criteria.
Marginal	Fails to meet evaluation standard; however any significant deficiencies are correctable. Lacks essential information to support a proposal.
Acceptable	Meets requirements; weaknesses are correctable.
Exceeds	Exceeds most, if not all requirements; no deficiencies.

Definitions for Technical Evaluation

Clarifications: Communications with an Offeror for the sole purpose of eliminating minor irregularities, or apparent clerical mistakes in the proposal. Unlike discussions, clarifications do not give the Offeror an opportunity to revise or modify its proposal, except to the extent that correction of an apparent clerical mistake results in revisions.

Discussions: Oral or written communications including negotiations between DCRB and the Offeror (other than clarifications) that; involves information essential for determining the acceptability of the proposal or to cure identified defects in the proposal.

Deficiencies: Defect in the proposal which preclude acceptance. Involves any part of the Offeror’s proposal which would not satisfy DCRB’s minimum requirements established in the solicitation. Includes failures to meet specifications, submit information or questionable technical or management approaches. Items disclosed during discussions, are evaluated in two categories: material-basis for rejection because further discussions would be meaningless; curable – may be corrected by clarifications or discussions and brought into the competitive range.

Weakness: Includes ambiguities, lack of complete descriptions, error in interpretation, omission of essential information, inadequate information, all of which are considered curable in discussions. An excessive number of clarifications may in itself constitute a weakness,

Strengths: Elements of the proposal that meet or exceed the minimum requirements of the solicitation and provide an identified benefit to DCRB.

DCRB may select up to three (3) Offeror finalists. The Offeror that is selected for award after meeting with the Board and/or sub-committee as a finalist shall then be invited to negotiate a final contract with DCRB. DCRB reserves the right to terminate negotiations with any Offeror if final contract terms cannot be reached, and to award the contract to the offeror(s) with the next highest evaluation percentage. **The Board reserves the right to award a contract based solely on the proposals.**

I. Proposal Preparation

A. GENERAL

To expedite the evaluation of Offeror responses (“Proposals”), it is essential that Offerors follow the format and instructions contained herein. Failure to respond in this manner may render the proposal, at the sole discretion of DCRB, as unresponsive or otherwise unacceptable and may result in disqualification and the elimination of the Offeror from consideration.

Offeror shall submit its technical and price proposal separately.

DCRB will not be liable for any costs incurred by the respondents in preparing responses to this RFP or for negotiations associated with award of a contract.

It is the sole responsibility of the respondents to ensure that their responses arrive in a timely manner. DCRB reserves the right to reject any late arrivals.

All Proposals submitted become the property of DCRB and may be subject to public disclosure under the Freedom of Information Act.

B. PROPOSAL SUBMISSION

Proposals must be submitted no later than 5:00 pm EST, Tuesday, June 25, 2013 to:

District of Columbia Retirement Board
900 7th Street, NW
Second Floor
Washington, DC 20001

Proposals, modifications to proposal, or requests for withdrawals after the exact local time above, are “late” and shall be considered only if they are received before the award is made and one (1) or more of the following circumstances apply:

- (a) The proposal or modification was sent by registered or certified mail not later than the fifth (5th) day before the date specified for receipt of offers;
- (b) The proposal or modification was sent by mail and it is determined by the CO that the late receipt at the location specified in the solicitation was caused by mishandling by DCRB, or
- (c) The proposal is the only proposal received.

C. WITHDRAWAL OR MODIFICATION OF PROPOSALS

An offeror may modify or withdraw its proposal upon written, telegraphic notice, or facsimile transmission if received at the location designated in the solicitation for submission of proposals, but not later than the closing date and time for receipt of proposals.

D. POSTMARKS

The only acceptable evidence to establish the date of a late proposal, late modification or late withdrawal sent either by registered or certified mail shall be a U.S. or Canadian Postal Service postmark on the wrapper or the original receipt from the U.S. or Canadian Postal Service. If neither postmark shows a legible date, the proposal, modification or request for the withdrawal shall be deemed to have been mailed late. When the postmark show the date is shown on the postmark, the proposal shall be considered late unless the offeror can furnish evidence from the postal authorities of timely mailing.

E. LATE PROPOSALS

A late proposal, late modification or late request for withdrawal of a proposal that is not considered shall be held unopened for identification, until after award and then retained with unsuccessful proposals resulting from the solicitation.

F. LATE MODIFICATIONS

A late modification of a successful proposal, which makes its terms more favorable to DCRB, shall be considered at any time it is received and may be accepted.

G. METHOD Of SUBMISSION

Offerors must submit five (5) copies and one (1) original of their Proposal. Proposals shall be typewritten in 12 point font size on 8.5” by 11” bond paper. In addition, proposals shall be submitted electronically via USB thumb drive only. Telephonic, telegraphic, email, and facsimile proposals will not be accepted. The following information must appear on the title page of each Proposal:

RFP Title:	DCRB External Audit Services RFP
Offer Date:	_____
Offeror Name:	_____
Contact Person:	_____
Offeror Address:	_____
Offeror Telephone:	_____

ATTENTION: Yolanda Smith

H. PROPOSAL SUBMISSION

Cover Letter

The Proposal must include a cover letter signed by an individual legally authorized to bind the applicant to both its proposal and its cost schedule. The letter is not intended to be a summary of the proposal. It must contain the following statements and information:

- “Proposal may be released in total as public information in accordance with the requirements of the laws covering same.”
- “Proposal and cost schedule for all labor shall be valid and binding for one hundred and twenty (120) business days following the proposal due date and will become part of the service contract that may be negotiated with DCRB.”
- Company name, address, and telephone number of the firm submitting the proposal.

- Name, title, address, and telephone number of the person(s) to contact who are authorized to represent the firm and to whom correspondence should be directed.
- Offeror's Federal and State Taxpayer Identification Numbers.
- Declaration of whether Offeror is claiming District of Columbia LSDBE or Federal 8(a) status. Documentation must be included. Expired certificates shall not be considered.
- "We have received the following Amendments on the dates below:" (If none, state "None".)
- "We affirm that, to the best of our knowledge and belief, we have not employed or retained any company or person, other than a bona fide employee working solely for it, to solicit or secure this award, and that we have not paid or agreed to pay any company or person, other than a bona fide employee working solely for us, any price, commission, percentage, gift, or any other compensation contingent upon or resulting from this award."
- "We have read, understand and will comply with all provisions of the RFP with no exceptions (or "except for the areas noted below"). If there are areas where you have an exception or unanswered question, those areas should be noted by paragraph number and the exception written in a clear manner."
- Offeror's proposal must be signed by a duly authorized person, partner or officer of the offeror, as applicable, and evidence of such authorization must be included with the Proposal. The offeror's legal name and form of entity must be fully stated.

I. PROPOSAL CONTENTS

Offerors are required to organize their Proposals into specific sections as follows and include a Table of Contents. Each page of the Proposal must be numbered (with the possible exception of pre-printed material included in attachments), and each of the section headings listed below are to appear in the Proposal's Table of Contents.

Technical proposals shall be no more than fifteen (15) pages in length, excluding a cover page, an introductory page, an index page, résumés for all personnel identified as available to work on the contract, and the offeror's certifications. Pages exceeding this limit shall not be considered or evaluated.

i. Statement Of Understanding

In this section, the Offeror must **summarize** how it is uniquely qualified to meet the requirements of this RFP. Offerors may wish to include internal controls/procedures employed to maximize responsiveness to client concerns.

ii. Experience Summary

In this part of the Proposal, the Offeror must describe its current and historical experience providing solutions of similar scope to public pension plans. **Also describe any experience in supporting DC and federal government agencies. Describe your organization's participation in a quality control program where a peer review was conducted. Provide a copy of the most recent peer review and a letter of comments as well as your response, if any.**

iii. Assumptions, Limitations, And Constraints

In this section, the Offeror must identify all assumptions that the Offeror made in preparing its Proposal, as well as any pertinent limitations or constraints, including any contractual exculpatory provisions and limitations on liabilities required by the Offeror. This section must contain a list of all assumptions, with a cross reference as to where in the body of the Proposal the assumption is described.

iv. Corporate Background And Financials

In this section, the Offeror must provide basic information about its organization to include the following:

- Number of years in business.
- Nature of business, including description of primary and secondary lines of business (if applicable).
- Ownership (public or private).
- Headquarters location and state of incorporation.
- Location from which this project will be completed and managed.
- Number and nature of subsidiaries, operating divisions, etc.
- Number of full time employees, contract employees, total employees.
- Identification of any lawsuits that the Offeror is a party to or has been a party to in the past five (5) years, even if such suits were settled out of court or by arbitration.
- Provide information entailing suspension(s) or debarment(s), if any, from performing government audits or from any other government activities.
- Identification of any contract termination and the reason for such termination in the past five (5) years.
- Disclosure of any known affiliation with members of the DCRB Board of Trustees or with DCRB staff.
- Provide proof of insurance and describe the insurance coverage arrangements

including the amount of coverage.

- Appropriate licensing to perform auditing services in Washington, DC.

v. Proposed Project Team

The Offeror may not substitute personnel on its project team without prior written DCRB approval.

- a) Project Manager: The Offeror will provide a representative who will act as a single point of contact for all activities regarding this RFP.
- b) Certified Public Accountant
- c) For each individual proposed for this engagement, please provide a narrative with the following information:
 - Employee name and title
 - Proposed position on this service support contract
 - Date of hire (month and year)
 - Degrees and certifications earned
 - Key experience with projects of similar scope
 - Please describe your firm's procedures in the event that a key person assigned to this engagement leaves the firm during the project.

vi. References

The Offeror shall demonstrate experience in comparable projects by providing at least three (3) successful professional references over the last two (2) years. **References from public pension systems are of particular interest to DCRB.**

For each reference, include:

- Name, address, e-mail address and telephone numbers of the client.
- A summary description of the project
- The start and end dates of the project.

vii. Price Proposal

The DCRB intends to make a single award on a firm fixed price basis. In evaluating the cost proposals, evaluation and subsequent contract award will be based on the total contract price.

The Offeror must provide a fixed price proposal for each contract line item for the total cost of the audit and any other relevant cost information in a separate envelope marked "Price Proposal". The DCRB plans to evaluate the technical proposals before considering the cost proposals.

As part of the price proposal, the Offeror must provide the following:

- Personnel costs (per hour and total estimate hours)
- Personnel description
- Travel expenses
- Other relevant costs

Offeror may list additional services offered by their firm as long as the labor categories and their accompanying hourly rates are included. All proposals, including prices, will remain in effect for a minimum of one hundred and twenty (120) days after the proposal due date.

Price proposals shall be no more than five (5) pages in length, excluding an introductory page and an index page. Pages exceeding this limit shall not be considered or evaluated.

Offerors shall provide in their price proposals:

1. Fee structures for other public agency clients and any reduced fees offered to other municipalities, governmental entities or nonprofit organizations.
2. A certification that the proposed hourly rates do not exceed the lowest hourly rates charged by Offeror to any entity of the District of Columbia or any Federal, State, or local government entity for similar types of work.
3. A certification that if, subsequent to award of a contract, hourly rates charged to any District of Columbia, Federal, State, or local government entity for similar types of work become lower than the hourly rates specified in the contract, the offeror shall promptly notify the Board and substitute the lower hourly rates for all future work.

The Board is subject to the annual appropriations process of the District of Columbia government that culminates in an appropriation act passed by the U.S. Congress and signed the President of the United States. The board has a current appropriation for the fiscal year ending September 30, 2013, which is estimated to be sufficient to fund the base year. Funding for additional periods is subject to appropriations.

II. GENERAL TERMS AND CONDITIONS

J. Reservations

DCRB reserves the right to reject any and all offers.

DCRB is not liable for any expense incurred in the preparation, delivery or presentation of Proposals in response to this RFP.

If, prior to execution of any contract, subsequent information or circumstances indicate that such contract is not in the best interest of DCRB, the right is reserved to rescind the offer and either award the contract to another Offeror or reject all responses.

K. Confidentiality

Confidential Information is any and all information which is proprietary, confidential, secret or otherwise not generally known to the public, including personal and identifying information concerning participants in the Retirement Funds. Confidential Information shall not include information which, as established by credible evidence: (a) is or becomes public knowledge without any action by, or involvement of, the party receiving the Confidential Information hereunder: (b) is independently developed by the receiving party without the use of the other party's Confidential Information: (c) is already known to the receiving party at the time of disclosure under this Agreement without restriction of confidentiality: (d) is disclosed to the receiving party by a third party who is entitled to disclose it without restriction of confidentiality: or (e) the disclosing party subsequently approves for disclosure without restrictions.

Each party, on behalf of itself and its employees and agents, agrees that it and its employees and agents: (a) shall not use any Confidential Information of the other party for any purpose other than to perform its obligations under this Agreement; and (b) shall keep and maintain all Confidential Information as strictly confidential and shall not directly or indirectly transfer or otherwise disclose any such Confidential Information to any third party other than those of its employees with a need to have access thereto. Each party shall cause those of its employees and agents receiving Confidential Information of the other party to observe the terms of this Paragraph 3.02. Each party shall be responsible for any breach of this Paragraph 3.02 by any of its employees or agents.

A party shall not be liable for the disclosure of any Confidential Information if the disclosure is: (a) required by law, regulation or legal process and uses reasonable efforts to obtain assurances that, if possible, confidential treatment will be accorded such Confidential Information or (b) inadvertent despite the exercise of the same degree of care as that party takes to preserve and safeguard its own Confidential Information, provided that upon discovery thereof that party takes all reasonable steps to retrieve the inadvertently disclosed Confidential Information and that such inadvertent disclosure will not relieve that party from its continued adherence to the terms and conditions of this Paragraph 3.02.

The successful Offeror will be required to execute and submit Confidentiality Agreements before service contract award. All staff members assigned to the project in any capacity will be required to sign statements of confidentiality in order to participate in the project. The Offeror must certify that criminal background checks have been conducted on all staff participating in the project.

L. Sole Property

All reports and documents produced in the performance of this Agreement shall be the sole property of DCRB. The Offeror shall make no distribution of work specifically produced for DCRB under this Agreement to others without the express written consent of the agency. The Offeror agrees not to assert any rights at common law or in equity or establish any claim to statutory copyright in such reports.

M. Contractual Requirements

Offerors are each responsible for complying with all statutory provisions applicable to doing business in the District of Columbia and with DCRB; however, such compliance does not limit the Board to any rights or remedies available to the Board under other general, state or local laws.

The terms, conditions, and specifications of the RFP, the successful Offeror's response, the completed and executed Service Agreement, and all RFP amendments (if any) will comprise the entire agreement between DCRB and the successful Offeror.

N. Cancellations

In the event provisions of this RFP are violated by Offeror(s), DCRB may give written notice to the Offeror(s) stating the deficiencies. Unless deficiencies are corrected within five (5) working days, DCRB reserves the right to issue an immediate termination notice in writing to the Offeror(s).

DCRB reserves the right to require personnel changes at any time during the term of the support contract. Such a request shall be issued in writing by DCRB and the Offeror shall have five (5) business days to provide a substitute acceptable to DCRB. Failure to do so shall result in DCRB issuing and immediate termination notice in writing to the Offeror.

O. DCRB Responsibilities

The Board will provide the Offeror when its staff is on-site at DCRB's office, with office space, furnishing, supplies, and a telephone. Access to the agency's IT systems, including VPN access, will be provided to the awarded Offeror.

DCRB will provide complete documentation to the successful Offeror after contract award.

The DCRB will provide appropriate access to computer applications and documents to the Offeror's staff in accordance with IT and data security procedures.

P. Insurance Requirements

The Offeror selected for contract award shall procure and maintain, during the entire period of performance under this contract, the types of insurance specified below. The Offeror shall have its insurance broker or insurance company submit a Certificate of Insurance to the DCRB giving evidence of the required coverage prior to commencing performance under this contract. In no event shall any work be performed until the required Certificates of Insurance signed by an authorized representative of the insurer(s) have been provided to, and accepted by, the DCRB. All insurance shall be written with financially responsible companies authorized to do business in the District of Columbia or in the jurisdiction where the work is to be performed and have an A.M. Best Company rating of A-VIII or higher. The Offeror shall require all of its subcontractors, if applicable, to carry the same insurance required herein. The Offeror shall ensure that all policies provide that the DCRB shall be given thirty (30) days prior written notice in the event the stated limit in the declarations page of the policy is reduced via endorsement or the policy is canceled prior to the expiration date shown on the certificate. The Offeror shall provide the DCRB with ten (10) days prior written notice in the event of non-payment of premium.

- a. Commercial General Liability Insurance. The Offeror shall provide evidence satisfactory to the DCRB with respect to the services performed that it carries \$1,000,000 per occurrence limits; \$2,000,000 aggregate; Bodily Injury and Property Damage including, but not limited to: premises-operations; broad form property damage; Products and Completed Operations; Personal and Advertising Injury; contractual liability and independent contractors. The policy coverage shall include the DCRB as an additional insured, shall be primary and non-contributory with any other insurance maintained by the DCRB, and shall contain a waiver of subrogation. The Offeror shall maintain Completed Operations coverage for five (5) years following final acceptance of the work performed under this contract.
- b. Errors and Omissions Insurance. The Offeror shall provide evidence satisfactory to the DCRB with respect to the services performed that it carries \$1,000,000 per occurrence limits; \$2,000,000 aggregate, error and omissions liability insurance. The policy coverage shall include the DCRB as an additional insured, shall be primary and non-contributory with any other insurance maintained by the DCRB, and shall contain a waiver of subrogation. The Offeror shall maintain coverage for five (5) years following final acceptance of the work performed under this contract.

The Contractor shall carry all required insurance until all contract work is accepted by the DCRB, and shall carry the required General Liability; any required Professional Liability

insurance for five (5) years following final acceptance of the work performed under an awarded contract.

These are the required minimum insurance requirements established by the District of Columbia.

HOWEVER, THE REQUIRED MINIMUM INSURANCE REQUIREMENTS PROVIDED ABOVE WILL NOT IN ANY WAY LIMIT THE OFFEROR'S LIABILITY.

The Offeror and subcontractors, if applicable, are solely responsible for any loss or damage to their personal property, including but not limited to tools and equipment, rented machinery, or owned and leased equipment. A waiver of subrogation shall apply in favor of the DCRB.

The DCRB shall not make any separate measure or payment for the cost of insurance and bonds. The Offeror shall include all of the costs of insurance and bonds in the contract price.

The Offeror shall immediately provide the DCRB with written notice in the event that its insurance coverage has or will be substantially changed, canceled or not renewed, and provide an updated certificate of insurance to the CO.

The Offeror shall submit certificates of insurance giving evidence of the required coverage as specified in this section prior to commencing work. Evidence of insurance shall be submitted to:

Yolanda Smith
Contract Specialist
District of Columbia Retirement Board
900 7th Street, NW, 2nd Floor
Washington, DC 20001
(202) 343-3200

The Offeror agrees that the DCRB may disclose the name and contact information of its insurers to any third party which presents a claim against the District for any damages or claims resulting from or arising out of work performed by the Contractor, its agents, employees, servants or subcontractors in the performance of this contract.

APPENDIX A

PROFESSIONAL SERVICES AGREEMENT

BETWEEN

THE DISTRICT OF COLUMBIA RETIREMENT BOARD

AND

CONTRACTOR

Contract Number: RB-13-015

This Agreement, made this _ day of ___, ___ is between the District of Columbia Retirement Board (the “Board”) an independent agency of the government of the District of Columbia and Contractor (“Contractor”), located at _____.

WHEREAS, under the District of Columbia Retirement Reform Act (Public Law 96-122; 93 Stat. 866) as amended (the “Reform Act”), the Board has exclusive authority to manage and control the assets of the District of Columbia Police Officers and Firefighters' Retirement Fund, and the District of Columbia Teachers' Retirement Fund (collectively, the “Retirement Funds”), and

WHEREAS, the Council of the District of Columbia adopted a Replacement Plan, the “Police Officers, Fire Fighters, and Teachers Retirement Benefit Replacement Plan Act of 1998” (D.C. Official Code §1-901.1 *et. seq.*), effective September 18, 1998 (“Replacement Plan Act”) for pension benefits earned on or after July 1, 1997, and

WHEREAS, the Board is authorized to engage the services of a qualified public accountant in accordance with D.C. Official Code §1.732 (a) (3) (a) to conduct an annual financial audit of the financial statements of the D.C. Teachers’ Retirement Fund and the D.C. Police Officers’ and Fire Fighters’ Retirement Fund pursuant to D.C. Official Code § 1-903.06, and

WHEREAS such review will determine the effectiveness of existing internal financial controls, operational policy and procedures that focuses on the procuring of goods and services, payroll and personnel position controls, identify any areas that are vulnerable to fraud and/or abuse in order to assess the extent, if any, which vulnerabilities may have been exploited in previous years by conducting a fraud vulnerability assessment in accordance with SAS 99, issue an audit report on the financial statements in accordance with applicable accounting and auditing standards, and

WHEREAS, the Board issued a request for proposal on May 23, 2013 for external auditing services, and

WHEREAS, pursuant to its procurement policy and procedures, the Board evaluated the proposals and presentations of all finalist candidates and determined that: (1) Contractor is qualified and capable of providing the required services consistent with the Reform Act, the Replacement Plan Act, and to the extent applicable, title XI of the Balanced Budget Act of 1997 (P.L. 105-33, 111 Stat. 251) (the “Revitalization Act”), (2) Contractor’s price for services is competitive, fair and reasonable, and (3) engaging Contractor for purposes of providing required financial auditing services is in the best interest of the participants and beneficiaries of the Funds, and

WHEREAS, by majority vote of the Board on _____, subsequent to the full and open competitive procurement solicitation, the Board selected Contractor to perform the required financial audit services, and to provide other routine and “supplemental” consulting services as may be required, and

WHEREAS, Contractor is willing to provide financial audit services to the Board on all the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the covenants and promises herein recited, the parties agree as follows:

ARTCILE I. SCOPE OF WORK:

Section 1. Contractor shall conduct a financial audit of the D.C. Teachers’ Retirement Fund and the D.C. Police Officers’ and Fire Fighters’ Retirement Fund as described in the Request for Proposal to Provide External Auditing Services issued by the Board on May 23, 2013 (“RFP”) under the section entitled “Scope of Work”. Such services shall include, without limitation, reports, statements, opinions, and certifications required under DC Official Code§ 1-903.06 and any subsequent amendments.

Section 2. Contractor shall implement the technical approach in performing the *Scope of Work* as described in Contractor’s “*Technical Proposal*”

Section 3. Contractor shall make presentations at select meetings of the Board or its Committees, and may also be required to testify before select meetings and hearings of the Council of the District of Columbia, including regulatory agencies or departments in the District or Federal government, on various financial matters within its field of expertise.

Section 4. Additional/Supplemental Services. In addition to basic services set forth in Subsection 1 above, the Board may request Contractor to provide supplemental consulting services as may be required by the Board to fulfill its statutory and regulatory responsibilities and/or to accomplish other related objectives.

Section 5. Work Product. Any work product developed by Contractor exclusively for the Board in conjunction with basic or supplemental services rendered under this Agreement shall be the exclusive property of the Board with all applicable rights and privileges and shall be deemed confidential.

ARTICLE II. GENERAL REQUIREMENTS:

Deliverable Due Date	Deliverable	Description of Deliverable	DCRB's Acceptance Criteria
Within ten (10) business days of contract award	Work Plan	Based on the Scope of Work in Section C of this solicitation, the Contractor is to develop an initial "Work Plan" that will provide a timeline for completion of the items required, and the description of work to be performed. This time line may be adjusted upon mutual consent of the Board and the Contractor.	The Work Plan must be comprehensive enough to meet the deliverable schedule and other requirements stated within the scope of work. DCRB will have fifteen (15) business days to accept and finalize the proposed Work Plan.
Within 30 calendar days of contract award	Data Request	The Contractor shall provide the Board with a written statement of all data and information needed to perform the services under the contract. The statement will include the date by which the data and information is to be delivered to allow the services to meet the schedule specified in Section C.	At minimum, the Data Request will include a description of data needed, the time and date by which the information must be provided to the Contractor and the methodology of submitting the data to the Contractor. The format of the Data Request will be in a format agreed upon between DCRB and the Contractor.
Monthly Status Report Due the 15 th of each month for previous month	Monthly Status Report	The Contractor shall submit a monthly status report summarizing all work performed during the reporting period referenced by the proper description. The report will include work performed, invoice for and paid to date. In addition the report will provide a projected work scheduled. All problems the contractor incurs and anticipates that will prevent him from completing work according to the schedule must be reported.	At minimum, the report must contain an executive summary page reflecting the period reporting on. A listing of all work in progress, work completed and date completed and work to be completed and estimated date of completion.

Draft Audit Report Due December 20 th of each year	Draft Audit Report	In accordance with applicable reporting requirements of D.C. Code §1-903.06 and General Accounting Standards Board (GASB), the Contractor shall provide the draft audited financial statements of The Teachers and Police Officers' and Firefighters' Retirement Plans. The report shall include recommendations regarding any additional audit or fraud monitoring or examination work that may be needed to determine the impact, magnitude, or duration of any fraud that may have occurred in the areas assessed as having deficiencies or weaknesses at risk for fraud. Additionally, a management letter will be executed explaining areas that the Contractor determines should be communicated to the Agency outside of the audited financial statements.	The Contractor will provide the Board with 25 paper copies and one electronic copy of all reports and certifications under Section C. All reports, opinions, determinations, certifications, and the like required by D.C. Official Code Sections §1-903.06 shall be delivered in final form to the Board no later than January 15 of the year following the prior fiscal year.
As Needed	Meetings with the Board	The Contractor shall provide an oral briefing to the Board of Trustees, the Operations Committee and senior staff when requested by DCRB.	The Contractor will be required to meet with the Board and sub-committees at least two times per year. Other meeting request will be at the request of DCRB to the Contractor.

ARTICLE III. TERM AND TERMINATION:

The initial term of this Agreement shall commence _____, 2013 and expire _____, 2018 (hereinafter the “initial term”). This Agreement may be extended beyond the initial term, subject to discretionary approval by the Board, and mutual assent by the parties to this Agreement. This agreement may be terminated by the Board in whole or in part for cause.

If the Board proposes terminating the contract for cause, the Board shall first give thirty (30) days prior written notice to the Contractor stating the reason for termination, and providing the Contractor an opportunity to cure the issues leading to termination. The Contractor must submit a corrective action plan which outlines the methodology and timeline of each corrective action. The corrective action plan shall be provided to the Chief Financial Officer or his designee within

ten (10) calendar days of receipt of the notice to cure. Failure to submit a corrective action plan in response to the notice to cure shall result in the Board terminating this agreement for cause.

Contractor shall not be entitled to receive payment for labor or expenses incurred prior to termination unless accepted by the Board.

This Agreement may be terminated in whole or in part by the Board for convenience at any time by giving the Contractor written notice. In such event

- A. Contractor shall immediately cease performing the terminated work unless directed otherwise.
- B. Contractor shall be reimbursed for agreed upon fees and expenses incurred in preparing to perform the terminated work.
- C. Contractor shall not be compensated for anticipated future profit for the terminated work.

ARTICLE IV. COMPENSATION:

Section 1. Appropriation of Funds. Payment of any and all prices to Contractor for services rendered beyond the fiscal year ending September 30, 2013, shall be subject to the appropriation of funds.

Section 2. Basic Services. The fixed, all-inclusive price for services rendered in accordance with basic services described in Article 1 above for the term of the contract shall be allocated as described in the price schedule.

Section 3. Unless otherwise specified in this contract, payment will be made on partial deliveries of good and services accepted by DCRB if:

- (a) The amount due on the deliveries warrants it; or
- (b) The Contractor requests it and the amount due on the deliveries is in accordance with the following: "Payment will be made on completion and acceptance of each percentage or stage of work in accordance with the prices stated in the Schedule in Article IV Section 4"; and
- (c) Presentation of a properly executed invoice.

All invoices must be submitted to DCRB Accounts Payable at DCRB.Accountspayable@dc.gov.

Section 4. The Price Schedule is set forth below;

Contract Line Item Number (CLIN)	Service Description	
0001	Audit Services FY 2013	
0002	Audit Services FY 2014	
0003	Audit Services FY 2015	
0004	Audit Services FY 2016	
0005	Audit Services FY 2017	
Total Compensation		

ARTICLE V. GENERAL PROVISIONS

Section 1. Warranties and Representations.

Contractor warrants and represents that:

- A. It has the requisite professional knowledge and experience to provide the services to the Board which are contemplated by this Agreement;
- B. Notwithstanding any remedies which may be available to the Board, in law or in equity by statute or otherwise, Contractor, its officers, directors, employees, or agents shall use reasonable efforts to remedy any failure under this Agreement and shall conform to the express covenants and conditions set forth herein;
- C. It shall at all times maintain sufficient insurance to reimburse the Board and the participants and beneficiaries of the Funds it manages in full for any professional liability on its part. Evidence of such liability insurance coverage as described in this paragraph shall be provided to the Board upon request.
- D. To the best of its knowledge and belief, Contractor has not employed or retained any company or person, other than a bona fide employee working solely for it, to solicit or secure this Agreement, and that it has not paid or agreed to pay any company or person, other than a bona fide employee working solely for it, any price, commission, percentage, gift, or any other compensation contingent upon or resulting from the award or making of this Agreement; except where:
 - (a) Contractor has disclosed, in writing to the Board, that it has engaged such a company or person other than a bona fide employee to secure this Agreement, and
 - (b) the cost of such engagement is not charged to the Board under the terms of compensation under this or any subsequent agreement;

- E. Contractor has no interest which would conflict with its performance of the services to be rendered pursuant to this Agreement; and
- F. The person executing this Agreement on behalf of Contractor has the power and authority to enter into this Agreement.

The Board represents and warrants that:

- A. The Board has the authority to engage Contractor to perform the services contemplated herein; and
- B. The persons executing this Agreement on behalf of the Board are authorized to do so.
- C. The Parties (i.e., Contractor and the Board) understand and agree that;
- D. Neither party shall be liable to the other for any loss, injury, delay, damages or other casualties suffered by the other due to strikes, riots, fires, acts of God or government, or any cause, whether similar or dissimilar to the foregoing, beyond the reasonable control of such party.
- E. Contractor shall not be subject to liability to the Board for any act, omission, or mistake of judgment in connection with providing services under this contract unless the act, omission, or mistake of judgment results from Contractor not performing its services with the judgment, care, skill, prudence, diligence, and intelligence which other contractors serving in a like capacity and experienced in the performance of these services would use when performing like services.
- F. Professional financial services provided by Contractor under this Agreement will be based upon the data provided to Contractor by the Board or by the District of Columbia or by U.S. Treasury. To the extent the data provided is incorrect, Contractor will not be liable for the results of work based on such incorrect data received.
- G. This Agreement constitutes an exclusive agreement between the parties and neither this Agreement, nor the performance of services, nor the relationship between Plan Sponsor and Contractor will create any rights in any third parties.

Section 2. Reports.

- A. Sole Property. All reports and documents produced in the performance of this Agreement shall be the sole property of the Board. The Contractor shall make no distribution of work specifically produced for the Board under this Agreement to others without the express prior written consent of the Board. The Contractor

agrees not to assert any rights at common law or in equity or establish any claim to statutory copyright or any other intellectual property right in such reports.

- B. Consultation. During the term of this Agreement, the Contractor shall be available to the Board during regular business hours, including the Staff of the Board, with respect to all matters contemplated by this Agreement at no additional cost to the Board.
- C. Records Retention. Contractor shall maintain records on all services rendered under this or any amended or subsequent agreement for a period of not less than six years after the completion date of the service rendered. Such records shall provide in sufficient detail the necessary basic information and data required for purposes of verification, explanation, or clarification.
- D. Inspection and Acceptance. All deliverables are subject to inspection and acceptance by the Chief Contracting Officer and/or his designee. Final payment shall not be made until the Board accepts unconditionally all deliverables for a particular line item.

Section 3. Severability. The Parties intend that each provision of this Agreement is severable. If any provision or term in this Agreement is determined for any reason whatsoever to be illegal or otherwise unenforceable, such determination shall not affect the validity of the remaining provisions and terms.

Section 4. Modification of Agreement. This Agreement constitutes the entire agreement of the Parties to this Agreement, and is intended as the complete and exclusive statement of their agreement, and may not be modified or amended except by a writing mutually agreed to, and duly executed by each Party. All previous communications between the Parties whether written or oral, with reference to the subject matter of this Agreement, are hereby rescinded and superseded.

Section 5. Assignments. This Agreement may not be assigned in whole or in part without the prior written consent of the other party.

Section 6. Indemnification. To the fullest extent permitted by applicable law, Contractor hereby agrees to hold harmless the Board, its members, officers, employees, agents and representatives and the District of Columbia Government, and to indemnify and exonerate same against and in respect of any and all claims, demands, damages, actions, costs, charges, losses, liabilities, and deficiencies, including legal prices and expenses, resulting from, arising out of, or in any way related to (a) any untrue warranty or representation or material omission of Contractor in this Agreement; and/or (b) any liens, claims, encumbrances, or infringement of any patent, trademark, copyrights, or other proprietary or intellectual property right; and/or (c) Contractor's willful misfeasance, bad faith, negligence or reckless disregard of its obligations in providing actuarial and supplemental consulting services under the terms of the Agreement; provided that a

court of competent jurisdiction finds that Contractor was in breach of the aforesaid obligations, or such finding is made by a mutually agreed upon arbitration panel.

Section 7. Intellectual Property Rights. Any software or computer program developed or customized under this contract, or to which the Board is provided access by Contractor (“Contractor Technology”) under this Contract shall remain the property of Contractor and neither the Board nor the District of Columbia shall acquire any right or interest in such property except for any license expressly granted below. The parties acknowledge and agree that Contractor shall own all right, title, and interest, including, without limitation, all rights under all copyright, patent and other intellectual property laws, in and to the Contractor technology. Further, Contractor may employ, modify, disclose and otherwise exploit the Contractor Technology (including, without limitation, providing services or creating programming or materials) for other clients. If the services rendered pursuant to this contract include the use of Contractor Technology, Contractor may grant a license to the Board with the cost and term of such license mutually agreed upon. Should any Contractor Technology be licensed to the Board, any software licensing agreement, non-disclosure agreement, or restricted use agreement pertaining to said software will become a part of this Agreement and the Board will be subject to the terms of such licensing agreement.

Section 8. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the United States and the District of Columbia.

Section 9. Notices and Administration. The Contract Administrator and principal coordinator for this Agreement shall be the Board’s Executive Director. Unless otherwise agreed by the parties, all official instructions, notices, demands and other communications from either party to the other under this Agreement shall be deliverable by overnight express mail, first class mail, hand delivery or facsimile, and shall be deemed effective when received, and shall be addressed as follows:

To the Board:

District of Columbia Retirement Board
900 7th Street, N.W. Second Floor
Washington, D.C. 20001
(202) 343-3200 (Voice)
(202) 566-5000 (Fax)
ATTN: Eric O. Stanchfield
Executive Director

Copy to: Thomas Anderson
Chief Financial Officer

To Contractor:

Each party shall have the right to change its address and the person to whom notices shall be given by the other in the manner provided for above.

Section 10. Miscellaneous. The sections and captions of this Agreement are intended to be labels and guides to assist in locating and reading such sections and shall be given no effect in construing this Agreement and shall not be restrictive of the subject matter of any section or part of this Agreement.

- A. Contractor agrees to do all acts and execute all papers, documents, or instruments necessary or desirable to effectuate the purposes of this Agreement.
- B. All representations and warranties contained in this Agreement shall survive the termination of this Agreement.
- C. Contractor shall notify the Board in writing as soon as possible, of any significant or material change in Contractor's ownership, professional staff, or general composition which may affect performance of the services to be rendered in accordance with this Agreement.
- D. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same Agreement.
- E. The Parties may mutually agree to resolve by mediation or arbitration any dispute or claim regarding interpretation or construction of the terms of this Agreement.
- F. Either of the Parties may request mediation or arbitration by serving notice of its desire for mediation or arbitration and of the nature of the dispute, controversy or claim.
- G. If the Parties agree to resolve by mediation or arbitration any dispute or claim but cannot agree upon a resolution method within thirty (30) days of any event which gives rise to a dispute, controversy or claim under this Agreement:
 - a. Either Party may apply to the American Arbitration Association for the appointment of an arbitrator to hear the unresolved dispute, controversy or claim, and the Parties shall be bound by all rules of the American Arbitration Association.
 - b. Each Party shall bear its own expenses, including but not limited to legal counsel prices, except that all expenses of the arbitration may be apportioned in the award based upon the respective merit of the positions of the Parties, as determined by the arbitrator.

- c. The decision of the arbitrator may be enforced in any court of competent jurisdiction.

ARTICLE VI. ORDER OF PRECEDENCE:

Section 1. Any inconsistencies in this Agreement shall be resolved by giving precedence in the following order:

- a. The Agreement
- b. DCRB's Request for Proposal
- c. Contractor's Proposal

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered as of the last day and year written below.

DISTRICT OF COLUMBIA RETIREMENT BOARD

By _____
Eric Stanchfield
Executive Director

Date: _____

CONTRACTOR

By _____

Date: _____

APPENDIX B

D.C. Code References

D.C. Code

§ 1-732

Book Browse
D.C. Code § 1-732 (Copy w/ Cite)
D.C. Code § 1-732

DISTRICT OF COLUMBIA OFFICIAL CODE
Copyright 2013 by the District of Columbia

*** Current through September 13, 2012 ***

DIVISION I. GOVERNMENT OF DISTRICT
TITLE 1. GOVERNMENT ORGANIZATION
CHAPTER 7. DISTRICT OF COLUMBIA EMPLOYEES RETIREMENT PROGRAM MANAGEMENT
SUBCHAPTER IV. REPORTING AND DISCLOSURE REQUIREMENTS

D.C. Code § 1-732 (2013)

§ 1-732. Annual report

(a) (1) (A) The Board shall publish an annual report for each fiscal year (beginning with fiscal year 1980) with respect to each retirement program to which this chapter applies and with respect to the Fund for such retirement program. Such report shall be filed with the Mayor, the Council, the Speaker, and the President pro tempore in accordance with § 1-734(a) and shall be made available and furnished to participants and beneficiaries in accordance with § 1-734(b).

(B) The annual report shall include the information described in subsections (b), (c), (d), and (e) of this section and, when applicable, subsection (f) of this section, and shall also include:

(i) The financial statement and opinion required by paragraph (3) of this subsection;
and

(ii) The actuarial statement and opinion required by paragraph (4) of this subsection.

(2) If some or all of the information needed to enable the Board to comply with the requirements of this chapter is maintained by: (A) An insurance carrier or other organization which provides some or all of the benefits under the retirement program, or holds assets of the Fund for such retirement program in a separate account; (B) a bank or similar institution which holds some or all of the assets of the Fund in a common or collective trust or a separate trust, or custodial account; or (C) the Mayor (or the Police and Firemen's Retirement and Relief Board, established pursuant to § 5-722, in carrying out the Mayor's responsibilities under the Policemen and Firemen's Retirement and Disability Act (§ 5-701 et seq.)); such carrier, organization, bank, or institution, or the Mayor, shall transmit and certify the accuracy of such information to the Board within 120 days after the end of the fiscal year (or such other date as may be prescribed under regulations of the Board).

(3) (A) Except as provided in subparagraph (C) of this paragraph, the Board shall engage an independent qualified public accountant who shall conduct such examination of any financial statements of the Fund, and of other books and records of the Fund or the retirement program as the accountant may deem necessary to enable the accountant to form an opinion as to whether the financial statements and schedules required to be included in the annual report by subsection (b) of this section are presented fairly in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Such

examination shall be conducted in accordance with generally accepted auditing standards and shall involve such tests of the books and records of the Fund and the retirement program as are considered necessary by the independent qualified public accountant. The independent qualified public accountant shall also offer his opinion as to whether the separate schedules specified in subsection (b)(2) of this section and the summary material required under § 1-734(b)(2) present fairly, and in all material respects, the information contained therein when considered in conjunction with the financial statements taken as a whole. The opinion by the independent qualified public accountants shall be made a part of the annual report.

(B) In offering his opinion under this section, the accountant may rely on the correctness of any actuarial matter certified to by an enrolled actuary if he so states his reliance.

(C) The opinion required by subparagraph (A) of this paragraph need not be expressed as to any statements required by subsection (b)(2)(G) of this section prepared by a bank or similar institution or insurance carrier regulated and supervised and subject to periodic examination by a state or federal agency if such statements are certified by the bank, similar institution, or insurance carrier as accurate and are made a part of the annual report.

(4) (A) The Board shall engage an enrolled actuary who shall be responsible for the preparation of the materials comprising the actuarial statement required under subsection (d) of this section.

(B) The enrolled actuary shall utilize such assumptions and techniques as are necessary to enable him to form an opinion as to whether the contents of the matters reported under subsection (d) of this section: (i) Are in the aggregate reasonably related to the experience of the Fund and the retirement program and to reasonable expectations; and (ii) represent his best estimate of anticipated experience under the Fund and the retirement program. The opinion by the enrolled actuary shall be made with respect to, and shall be made a part of, each annual report.

(C) In making a certification under this section, the enrolled actuary may rely on the correctness of any accounting matter under subsection (b) of this section as to which any qualified public accountant has expressed an opinion if he so states his reliance.

(b) (1) An annual report under this section shall include a financial statement containing a statement of assets and liabilities, and a statement of changes in net assets available for benefits under the retirement program, which shall include details of revenues and expenses and other changes aggregated by general source and application. In the notes to financial statements, disclosures concerning the following items shall be considered by the accountant: A description of the retirement program, including any significant changes in the retirement program made during the period and the impact of such changes on benefits; the funding policy (including the policy with respect to prior service cost), and any changes in such policy during the year; a description of any significant changes in benefits made during the period; a description of material lease commitments, other commitments, and contingent liabilities; a description of agreements and transactions with persons known to be parties in interest; and any other matters necessary to fully and fairly present the financial statements of the Fund.

(2) The statement required under paragraph (1) of this subsection shall have attached the following information in separate schedules;

(A) A statement of the assets and liabilities of the Fund, aggregated by categories and valued at their current value, and the same data displayed in comparative form for the end of the previous fiscal year;

(B) A statement of receipts in and disbursements from the Fund during the preceding 12-month period, aggregated by general source and application;

(C) A schedule of all assets held for investment purposes, aggregated and identified by issuer, borrower, or lessor, or similar party to the transaction (including a notation as to whether such party is known to be a party in interest), maturity date, rate of interest, collateral, par or maturity value, cost, and current value;

(D) A schedule of each transaction involving a person known to be a party in interest, the identity of such party in interest and his relationship or that of any other party in interest to the Fund, a description of each asset to which the transaction relates; the purchase or selling price in case of a sale or purchase, the rental in case of a lease, or the interest rate and maturity date in case of a loan; expenses incurred in connection with the transaction; the cost of the asset, the current value of the asset, and the net gain or loss on each transaction;

(E) A schedule of all loans or fixed income obligations which were in default as of the close of the fiscal year or were classified during the year as uncollectable and the following information with respect to each loan on such schedule (including a notation as to whether parties involved are known to be parties in interest): The original principal amount of the loan; the amount of principal and interest received during the reporting year; the unpaid balance; the identity and address of the obligor; a detailed description of the loan (including date of making and maturity, interest rate, the type and value of collateral, and other material terms); the amount of principal and interest overdue (if any) and an explanation thereof;

(F) A list of all leases which were in default or were classified during the year as uncollectable and the following information with respect to each lease on such list (including a notation as to whether parties involved are known to be parties in interest): The type of property leased (and, in the case of fixed assets such as land, buildings, and leaseholds, the location of the property); the identity of the lessor or lessee from or to whom the Fund is leasing; the relationship of such lessors and lessees, if any, to the Fund, the government of the District of Columbia, any employee organization, or any other party in interest; the terms of the lease regarding rent, taxes, insurance, repairs, expenses, and renewal options; the date the leased property was purchased and its cost; the date the property was leased and its approximate value at such date; the gross rental receipts during the reporting period; expenses paid for the leased property during the reporting period; the net receipts from the lease; the amounts in arrears; and a statement as to what steps have been taken to collect amounts due or otherwise remedy the default;

(G) The most recent annual statement of assets and liabilities of any common or collective trust maintained by a bank or similar institution in which some or all the assets of the Fund are held, of any separate account maintained by an insurance carrier in which some or all of the assets of the Fund are held, and of any separate trust maintained by a bank as trustee in which some or all of the assets of the Fund are held, and in the case of a separate account or a separate trust, such other information as may be required by the Board in order to comply with this subsection; and

(H) A schedule of each reportable transaction, the name of each party to the transaction (except that, in the case of an acquisition or sale of a security on the market, the report need not identify the person from whom the security was acquired or to whom it was sold) and a description of each asset to which the transaction applies; the purchase or selling price in case of a sale or purchase, the rental in case of a lease, or the interest rate and maturity date in case of a loan; expenses incurred in connection with the transaction; the cost of the asset, the current value of the asset, and the net gain or loss on each transaction.

(3) For purposes of subparagraph (H) of paragraph (2) of this subsection, the term "reportable transaction" means a transaction to which the Fund is a party and which is:

(A) A transaction involving an amount in excess of 3 percent of the current value of the assets of the Fund;

(B) Any transaction (other than a transaction respecting a security) which is part of a series of transactions with or in conjunction with a person in a fiscal year, if the aggregate amount of such transactions exceeds 3 percent of the current value of the assets of the Fund;

(C) A transaction which is part of a series of transactions respecting 1 or more securities of the same issuer, if the aggregate amount of such transactions in the fiscal year exceeds 3 percent of the current value of the assets of the Fund; or

(D) A transaction with or in conjunction with a person respecting a security, if any other transaction with or in conjunction with such person in the fiscal year respecting a security is required to be reported by reason of subparagraph (A) of this paragraph.

(c) The Board shall furnish as a part of an annual report under this section the following information:

(1) The number of individuals covered by the retirement program;

(2) The name and address of each member of the Board;

(3) Except in the case of a person whose compensation is minimal (as determined under regulations of the Council, which regulations the Council shall initially promulgate within 90 days after the date of the enactment of this chapter and who performs solely ministerial duties as determined under such regulations), the name of each person (including any consultant, broker, trustee, accountant, insurance carrier, actuary, administrator, investment counsel, or custodian who rendered services to the Board or who had transactions with the Board) who directly or indirectly received compensation from the Board during the preceding year for services rendered to the Board or the participants or beneficiaries of the retirement program for which a Fund was established, the amount of such compensation, the nature of his services, his relationship, if any, to the District of Columbia government or any employee organization, and any other officer, position or employment he holds with any party in interest;

(4) An explanation of the reason for any change in appointment of any accountant, insurance carrier, enrolled actuary, or investment counsel appointed by the Board; and

(5) Such other financial and actuarial information as the Council may by regulation prescribe.

(d) (1) An annual report under this section for a fiscal year shall include a complete actuarial statement applicable to the fiscal year which shall include the following information:

(A) The date of the actuarial valuation applicable to the fiscal year for which the report is filed;

(B) The date and amount of the payments to the Fund for the fiscal year for which the report is filed and contributions for prior fiscal years not previously reported, including payments by the participants, the United States, and the District of Columbia;

(C) The following information applicable to the fiscal year for which the report is filed:

(i) The amounts determined under § 1-722(a)(1);

(ii) The accrued liabilities;

(iii) An identification of benefits not included in the calculation;

(iv) A statement of the other facts and actuarial assumptions and methods used to determine costs; and

- (v) A justification for any change in actuarial assumptions or cost methods;
- (D) The number of participants and beneficiaries covered by the retirement program;
- (E) A certification of the amount of the payments to the Fund necessary to reduce the accumulated funding deficiency to zero;
- (F) A statement by the enrolled actuary of any change in actuarial assumptions made with respect to the Fund during the year;
- (G) A statement by the enrolled actuary of the estimated current value of vested benefits under the retirement program;
- (H) A statement by the enrolled actuary that to the best of his knowledge the report is complete and accurate;
- (I) A copy of the opinion required by subsection (a)(4) of this section;
- (J) Such other information regarding the retirement program as the Council may by regulation require; and
- (K) Such other information as the enrolled actuary may determine is necessary to fully and fairly disclose the actuarial position of the Fund.

(2) The actuary shall make an actuarial valuation of the Fund for every 3rd fiscal year, unless he determines that a more frequent valuation is necessary to support his opinion under subsection (a)(4) of this section.

(e) A report under this section for a fiscal year shall include a statement prepared by the Board of:

- (1) The relative riskiness of the investments during the fiscal year of the assets of the Fund;
- (2) A comparison of the average return on the investments of the Fund during the year with the average return on the investments of other public pension funds during the year that have comparable asset valuation; and
- (3) The average daily balance of, and the average rate earned by, assets of the Fund in each of any time or demand deposits during the year.

(f) (1) If some or all of the benefits under the retirement program are purchased from and guaranteed by an insurance company, insurance service, or other similar organization, a report under this section shall include a statement from such insurance company, service, or other similar organization covering the fiscal year and enumerating:

- (A) The premium rate or subscription charge and the total premium or subscription charges paid to each such carrier, insurance service, or other similar organization and the approximate number of persons covered by each class of such benefits; and
- (B) The total amount of premiums received, the approximate number of persons covered by each class of benefits, and the total claims paid by such company, service, or other organization; dividends or retroactive rate adjustments, commissions, and administrative service or other fees or other specific acquisition costs paid by such company, service, or other organization; any amounts held to provide benefits after retirement; the remainder of such premiums; and the names and addresses of the brokers, agents, or other persons to whom

commissions or fees were paid, the amount paid to each, and for what purpose.

(2) If any such company, service, or other organization does not maintain separate experience records covering the specific groups it serves, the report shall include, in lieu of the information required by subparagraph (B) of paragraph (1) of this subsection, a statement as the basis of its premium rate or subscription charge, the total amount of premiums or subscription charges received from the Fund, and a copy of the financial report of the company, service, or other organization and, if such company, service, or organization incurs specific costs in connection with the acquisition or retention of any particular Fund or Funds, a detailed statement of such costs.

HISTORY: Nov. 17, 1979, 93 Stat. 885, Pub. L. 96-122, § 162; June 30, 1994, D.C. Law 10-135, § 201(b)(3), 41 DCR 2618.

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D.C. Code § 1-732 (Copy w/ Cite)

D.C. Code

§ 1-903.06

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D.C. Code § 1-903.06 (Copy w/ Cite)

D.C. Code § 1-903.06

Formerly cited as 1981 Ed., § 1-782.6

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*** Current through September 13, 2012 ***

DIVISION I. GOVERNMENT OF DISTRICT
TITLE 1. GOVERNMENT ORGANIZATION
CHAPTER 9. POLICE OFFICERS, FIRE FIGHTERS, AND TEACHERS RETIREMENT BENEFIT
REPLACEMENT PLAN
SUBCHAPTER II. RETIREMENT FUNDS

D.C. Code § 1-903.06 (2013)

§ 1-903.06. Annual audit

(a) The examination performed by the independent qualified public accountant engaged pursuant to § 1-732(a)(3)(A) shall be conducted in accordance with generally accepted auditing standards and shall involve such tests of the books and records of the Funds and the Retirement Program as are considered necessary by the accountant. The independent qualified public accountant shall also offer his opinion as to whether the separate schedules required by subsection (b) of this section and the summary material required under § 1-907.03 present fairly, in all material respects, the information contained therein when considered in conjunction with the financial statements taken as a whole. The opinion by the independent qualified public accountant shall be made a part of the annual report required pursuant to § 1-907.02. In offering his opinion, the accountant may rely on the correctness of any actuarial matter certified to by an enrolled actuary if he so states his reliance.

(b) (1) The financial statement shall contain a statement of assets and liabilities, and a statement of changes in net assets available for benefits under the retirement program, which shall include details of revenues and expenses and other changes aggregated by general source and application. In the notes to financial statements, disclosures concerning the following items shall be considered by the accountant: a description of the Retirement Program, including any significant changes in the Retirement Program made during the period and the impact of the changes on benefits; the funding policy (including the policy with respect to prior service cost), and any changes in the policy during the year; a description of any significant changes in benefits made during the period; a description of material lease commitments, other commitments, and contingent liabilities; a description of agreements and transactions with persons known to be parties in interest; and any other matters necessary to fully and fairly present the financial statements of the Funds.

(2) The statement required under paragraph (1) of this subsection shall have attached the following information in separate schedules:

(A) A statement of the assets and liabilities of the Funds, aggregated by categories and valued at their current value, and the same data displayed in comparative form for the end of the previous fiscal year;

(B) A statement of receipts in and disbursements from the Funds during the preceding 12-month period, aggregated by general source and application;

(C) A schedule of all assets held for investment purposes, aggregated and identified by issuer, borrower, or lessor, or similar party to the transaction (including a notation as to whether the party is known to be a party in interest), maturity date, rate of interest, collateral, par or maturity value, cost, and current value;

(D) A schedule of each transaction involving a person known to be a party in interest, the identity of the party in interest and his relationship, or that of any other party in interest, to the Funds, and a description of each asset to which the transaction relates; the purchase or selling price if a sale or purchase, the rental rate if a lease, or the interest rate and maturity date if a loan; expenses incurred in connection with the transaction; and the cost of the asset, the current value of the asset, and the net gain or loss on each transaction;

(E) A schedule of all loans or fixed income obligations that were in default as of the close of the fiscal year or were classified during the year as uncollectible and the following information with respect to each loan on the schedule (including a notation as to whether parties involved are known to be parties in interest): the original principal amount of the loan; the amount of principal and interest received during the reporting year; the unpaid balance; the identity and address of the obligor; a detailed description of the loan (including date of making and maturity, interest rate, the type and value of collateral, and other material terms); and the amount of principal and interest overdue (if any) and an explanation thereof;

(F) A list of all leases that were in default or were classified during the year as uncollectible, and the following information with respect to each lease on the list (including a notation as to whether parties involved are known to be parties in interest): the type of property leased (and, if fixed assets such as land, buildings, and leaseholds, then the location of the property); the identity of the lessor or lessee from or to whom the Funds are leasing; the relationship of the lessors and lessees, if any, to the Funds, the government of the District of Columbia, any employee organization, or any other party in interest; the terms of the lease regarding rent, taxes, insurance, repairs, expenses, and renewal options; the date the leased property was purchased and its cost; the date the property was leased and its approximate value at that date; the gross rental receipts during the reporting period; expenses paid for the leased property during the reporting period; the net receipts from the lease; the amounts in arrears; and a statement as to what steps have been taken to collect amounts due or otherwise remedy the default;

(G) The most recent annual statement of assets and liabilities of any common or collective trust maintained by a bank or similar institution in which some or all the assets of the Funds are held, of any separate account maintained by an insurance carrier in which some or all of the assets of the Funds are held, and of any separate trust maintained by a bank as trustee in which some or all of the assets of the Funds are held, and for each separate account or a separate trust, such other information as may be required by the Retirement Board to comply with this subsection; and

(H) A schedule of each reportable transaction, the name of each party to the transaction (except that, for an acquisition or sale of a security on the market, the report need not identify the person from whom the security was acquired or to whom it was sold), and a description of each asset to which the transaction applies; the purchase or selling price if a sale or purchase, the rental rate if a lease, or the interest rate and maturity date if a loan; expenses incurred in connection with the transaction; and the cost of the asset, the current value of the asset, and the net gain or loss on each transaction.

(3) For purposes of paragraph (2)(H) of this subsection, the term "reportable transaction" means a transaction to which the Funds is a party and which is:

(A) A transaction involving an amount in excess of 5% (or other percentage that may be established from time to time by the United State Department of Labor for "reportable transactions") of the current value of the assets of the Funds;

(B) Any transaction (other than a transaction respecting a security) that is part of a series of transactions with or in conjunction with a person in a fiscal year, if the aggregate amount of the transactions exceeds 5% (or other percentage that may be established from time to time by the United States Department of Labor for reportable transactions) of the current value of the assets of the Funds;

(C) A transaction that is part of a series of transactions respecting one or more securities of the same issuer, if the aggregate amount of the transactions in the fiscal year exceeds 5% (or other percentage that may be established from time to time by the United States Department of Labor for reportable transactions) of the current value of the assets of the Funds; or

(D) A transaction with, or in conjunction with, a person respecting a security, if any other transaction with or in conjunction with the person in the fiscal year respecting a security is required to be reported by reason of subparagraph (A) of this paragraph.

HISTORY: Sept. 18, 1998, D.C. Law 12-152, § 116, 45 DCR 4045.

APPENDIX C

DCRB's Conflict of Interest Guidelines

DISTRICT OF COLUMBIA RETIREMENT BOARD
CONFLICT OF INTEREST GUIDELINES
(Adopted September 11, 1987; Revised October, 2001)

WHEREAS, a continuing problem of government is the maintenance among its public servants of high moral standards and ethical standards; and

WHEREAS, it is not only corruption, but the appearance of any impropriety which must be avoided and can not be allowed; and

WHEREAS, the people of the District of Columbia are entitled to expect their public servants to perform their duties with integrity and good judgment.

WHEREAS, the maintenance of unusually high standards of honesty, integrity, impartiality, and conduct is essential to assure the proper performance of the government business and the maintenance of confidence by citizens in their government; and

WHEREAS, as fiduciaries of a retirement fund of the District of Columbia, Board members (the "Board") must be and are bound to even higher standards of conduct; and

WHEREAS, the Board is statutorily required to discharge their duties with respect to the District of Columbia Police and Fire fighters' and Teachers' retirement funds (the "Fund") solely in the interest of the participants and beneficiaries for the exclusive purpose of providing benefits to the participants and their beneficiaries; and

WHEREAS, specific guidelines will assist the Board in maintaining the appropriate standards of conduct; and

WHEREAS, the Board is an independent agency of the District Government and is not within the purview of the District of Columbia Campaign Finance Reform and Conflict of Interest Act, as amended. (D.C. Code §1-1101.01 *et seq.* (2001 Ed.); and

WHEREAS, the Board approved the language contained in these guidelines at its September 11, 1987 meeting by majority vote.

Now Therefore, be it resolved that the Board hereby adopts the following internal Conflict of Interest Guidelines pursuant to §121(e) of the District of Columbia Retirement Reform Act of 1979 (the "Act"):

1. Applicability

1.1 These guidelines shall apply to all Board members. In the case of members selected pursuant §121(b)(1)(A), (C) and (E), these guidelines shall apply in addition to any other Federal or District statute which may be applicable because of their status as District employees. Wherever these guidelines conflict with any other applicable Federal or District statute, the

statute shall control.

1.2 These guidelines shall apply to staff when acting in a fiduciary capacity; provided, however that the Board must have designated the staff member as a fiduciary in writing, and to other staff members as may be provided for herein.

2. Responsibility of Board members

2.1. Members of the Board shall avoid action, whether or not specifically prohibited by these guidelines or any applicable Federal or District statute, which might result in or create the appearance of:

- 2.1.1 Using their position as Board members (or staff where designated) for private gain (financial or otherwise);
- 2.1.2 Giving preferential treatment to any individual, firm or organization, etc.;
- 2.1.3 Impeding government efficiency or economy;
- 2.1.4 Losing complete independence or impartiality;
- 2.1.5 Making a decision, regarding Board business or that might impact the Board, outside official channels;
- 2.1.6 Effecting adversely the confidence of the public in the integrity of the Board, or the District government;
- 2.1.7 Giving the impression that any person could improperly influence or unduly enjoy the favor of any Board member (or designated staff person) in the performance of the Board member's (or designated staff person's) official duties; or
- 2.1.8 Giving the impression that the Board member (or designated staff person) is affected by the kinship, rank, position or influence of any individual, firm or organization.

2.2. Members of the Board (and designated staff) shall act solely for the benefit of the participants and beneficiaries of the Fund and give their undivided loyalty to such participants and beneficiaries.

3. Financial Interest

- 3.1. No Board member shall accept assignment to serve on a committee of the Board, the jurisdiction of which, consists of matters (other than of a de minimis nature) in which he or she (or a member of his or her family, or a business with which he or she is associated) has a direct personal financial interest.
- 3.2. No Board member shall vote on a matter being considered by the Board, in which he or she (or a member of his or her family, or a business with which he or she is associated) has a direct personal interest.
- 3.3. No Board member (or designated staff person) or any member of his or her immediate family or substantial business associates may knowingly acquire any stocks, bonds, commodities, real estate, or other property, whether held individually or in consent with others, if the possession of such could unduly influence or give the appearance of unduly influencing the Board member (or designated staff person) in the performance of his or her official duties and responsibilities with the Board.
 - 3.3.1 **Exception** - This requirement does not apply to blind trusts over which the Board member (or designated staff person) has no power of revocation during his or her tenure on the Board or as staff.
- 3.4. A Board member who is called upon to act for or on behalf of the Board in a matter relating to or involving a non-governmental entity in which such member or a member of his or her immediate family has a financial interest, shall make that fact known in writing to the Chairman of the Board and the General Counsel. The Chairman upon advice of the General Counsel shall determine whether or not such person should disqualify himself or herself in any official decision or action involving the entity, or whether divestiture of such interest should be made.
- 3.5. Notwithstanding the restriction contained herein, a Board member shall not be deemed to be prevented from making, or participating in the making of, a Board decision to the extent that his or her participation is legally required for the action or decision to be made. Such circumstances may include waiving disqualification for the purposes of a quorum, but does not include such a waiver to break a tie vote. This rule of necessity does not apply to gifts which have been accepted when it was reasonably foreseeable at the time the gift was received that the Board or staff member involved would be asked to make or participate in a decision affecting the giver of the gift.
- 3.6. Any Board member who, in the discharge of his or her official duties, would be required to take an action or make a decision that would affect directly or indirectly his or her financial interests or those of a members of his or her household, or a business with which he or she is associated, or must take an official action on a matter as to which he or she has a conflict situation created by a personal family or client interest, shall:
 - 3.6.1. Prepare a written statement describing the matter requiring action or decision, and the nature of his or her potential conflict of interest with respect to such action or decision; and

- 3.6.2. Cause copies of such statement to be delivered to the Chairman of the Board, who shall submit such statement at the next scheduled Board meeting for the record, and, upon request of said member, shall excuse the member from voting, deliberations, and other action on the matter in which a potential conflict exists.

4. Conflict of Interest

- 4.1. No Board member shall solicit or receive either directly or through the intercession of others, anything of value, including a gift, favor, service, loan, gratuity, entertainment, discount, hospitality, political contribution, or promise of future employment, for a person who singularly or in concert with others: (1) has, or is seeking to obtain, contractual or the business or financial relations with the Board; (2) conducts operation or activities that are subject to the oversight responsibilities of the Board; or (3) has an interest that may be favorably affected by the performance of the Board members' official duties, based upon any understanding that such Board member's official actions or judgment or vote would be influenced thereby, or where it could reasonably be inferred that the thing of value would influence the Board member in the discharge of his or her duties.

4.1.1. Exceptions

- 4.1.1.1. Transactions made in the ordinary course of business of the person offering or giving the thing of value;
- 4.1.1.2. The acceptance of food and refreshments of nominal value on infrequent occasions in the ordinary course of a luncheon or dinner meeting or while on an inspection tour where the Board member is properly in attendance;
- 4.1.1.3. The acceptance of loans from banks or other financial institutions on customary terms to finance proper and usual activities such as acquisition of a car, home appliance, etc.;
- 4.1.1.4. The acceptance of unsolicited advertising or promotional materials such as pens, pencils, note pads, calendars, and like items of nominal value;
- 4.1.1.5. The acceptance of a voluntary gift of nominal value or a cash donation in a nominal amount which is presented in a special occasion such as marriage, illness, or retirement; or
- 4.1.1.6. The thing of value qualifies as (i) payment of reasonable air fare or accommodations to a seminar, outing or convention given by an educational or charitable institution, (ii) free tickets or passes customarily sent to city officials of a nature which would be expected to be

reciprocated at the Board member's own expense; provided that the principal purpose of the meeting must be to discuss financial matters for the benefit of the Funds' participants and beneficiaries and such occasion is of a nature normally provided to other institutional investors; and further provided that only in-kind gifts for actual expenditures for travel and reasonable subsistence may be given to the Board.

4.2. No Board member shall use his or her position on the Board to obtain financial gain for himself or herself, any member of his or her household, or any business with which he or she or a member of his or her household is associated, other than that compensation provided by law for said Board member.

4.2.1. Exception This restriction shall not affect a vote by a Board member on any matter which affects a class of persons (such a class shall include no less than 50 persons) of which such Board member is a member if the financial gain to be realized is de minimis.

4.3. No Board member shall solicit or receive any money, in addition to that lawfully received by the Board member in his or her official capacity, for advice or assistance given in the course of the Board member's tenure as trustee or relating to his or her position as trustee.

4.4. No Board member shall use or disclose confidential information given in the course of, or by reason of, his or her official position or activities, in any way that could result in financial gain for himself or herself or for any other person.

4.5. If there is a conflict or potential conflict of interest, removal from influence over actions or decisions is accomplished when the Board member refrains from taking any action or making any decision that would affect or appear to affect, directly or indirectly the conflict.

4.6. A Board member shall remove himself or herself from influence over actions and decisions, on the matter in which there is a conflict or potential conflict, whenever the Board member has reasonable knowledge of any direct or indirect financial interest or gain which is incompatible with the discharge of the Board member's duties, or upon written notice from the Chairman that an investigation has been initiated.

4.7. A Board member, other than as provided by law for the proper discharge of official Board duties, shall not directly or indirectly ask, demand, exact, solicit, seek, accept, receive or agree to receive anything of value for himself or herself for or because of any official act performed or to be performed by him or her, or represent any person on entity before the Board.

4.8. A Board member shall not receive, demand, exact, solicit, or accept, or entice into any agreement, express or implied, for compensation, anything of value for himself or

herself or any other person or entity, or services to be rendered in return for:

- 4.8.1. Being influenced in his or her performance of any official act;
- 4.8.2. Being influenced to commit or aid in committing, or collude in, or allow, or make opportunity for the commission of, any fraud on the Board or the District of Columbia; or
- 4.8.3. Being induced to or omit to do any act in violation of his or her official duty.

4.9. Lock-Out Rule. This rule is intended to protect the integrity of the Board's search and selection procedures for the retention of outside service providers (including, without limitation, investment managers, investment consultants, legal counsel, accountants, auditors, and actuaries). The lock-out rule requires Board members and senior staff to refrain from intentional, unauthorized contact with such service providers during the search and selection period to avoid the appearance of a conflict in the decision making process. Authorized contact includes communication for: (a) ordinary and necessary business purposes and, (b) matters of public record. Notwithstanding any other provision set forth in these guidelines, the lock-out rule shall be in effect for Board members and senior staff upon the commencement of search procedures as follows:

- 4.9.1. For purposes of a "core" investment manager search, the lock-out rule shall commence at such time as a list of potential qualifying candidates (based upon search criteria) has been distributed to the Board members and staff for review.
- 4.9.2. For purposes of an internal (no official involvement by consultant) investment manager search, the lock-out rule shall commence at such time as the universe of potential qualifying candidates (based upon the search criteria) has been identified and distributed to the Board and staff for review.
- 4.9.3. For purposes of a search for other service providers, the lock-out rule shall commence upon distribution to the Board of potential qualifying candidates for review.
- 4.9.4. Upon commencement of a search, potential qualifying candidates shall be notified in writing of the lock-out rule.

5. Indebtedness

- 5.1 Board members (and designated staff persons) shall pay each just financial obligation in a proper and timely manner.

6. Travel

6.1. Notwithstanding the restrictions set forth in these guidelines, a Board member (or designated staff person may participate in a program, the principal objective of which is educational, involving travel paid by the sponsors if such participation is in the best interest and for the sole benefit of the beneficiaries and participants of the Fund and if the Board has determined by majority vote that such participation is in the best interest and for the sole benefit of the beneficiaries and participants of the Fund.

6.1.1 Exception Where the program is provided for in an existing contract between the Board and the sponsor of the program.

6.2. Any Board member who receives an invitation to participate in any program shall immediately notify the Chairman of the Board. The Board member shall provide the nature and itinerary of the program and a written explanation of how the best interests of the beneficiaries and participants will be served. If participation is approved, subsequent to the program, the Board member(s) who participate shall make a presentation to the Board, at the next regularly scheduled meeting, regarding the program. If a Board meeting is not scheduled prior to the date on which acceptance of the invitation must be made, the Chairman may approve attendance.

7. Outside Employment and Other Outside Activity

7.1. Board members may not engage in any outside employment or other activity which is not compatible with the full and proper discharge of their duties and responsibilities with the Board. Activities or actions which are not compatible with Board duties include, but are not limited to, the following:

7.1.1. Engaging in any outside employment, private business activity, or other interest which may interfere with the Board member's ability to perform his or her job, or which may impair the efficient operation of the Board;

7.1.2. Using Board time or resources for other than official business, or approved or sponsored activities, except that a Board member may spend a reasonable amount of time and resources on such projects, reports, and studies as may be considered in aid of other government pension systems or employee benefit organizations; provided that the work so performed is within the scope of the Board member's regular assignments and duties;

7.1.3. Ordering, directing, or requesting other Board members or employees to perform during regular working hours any personal services not related to official Board functions and activities;

7.1.4. Engaging in any outside employment, private business activity, or interest which permits a Board member or others, to capitalize on his or her official

title or position;

- 7.1.5. Divulging any official governmental information, whether labeled confidential or not, to any unauthorized person or in advance of the time prescribed for its authorized issuance, or otherwise making use of, or permitting other to make use of, information not available to the general public;
 - 7.1.6. Engaging in any outside employment, private business activity, or other interest which might impair the Board member's mental or physical capacity to such an extent that he or she can no longer carry out his or her duties and responsibilities as a trustee in a proper and efficient manner;
 - 7.1.7. Serving in a representative capacity or as an agent or attorney for any outside entity involving any matter before the Board; or
 - 7.1.8. Engaging in any outside employment, private business activity, or other interest which is in violation of Federal or District law.
- 7.2. A member of the Board may not do indirectly what he or she may not do directly under the foregoing restrictions.
- 7.3. Except as otherwise provided herein, a Board member may engage in: teaching activities; writing for publication; consultative activities; and speaking engagements that are not prohibited by law, regulation, or Board standards, only if such activities are conducted during Board non-compensated hours.
- 7.4. The information used by a Board member engaging in an activity under section 7 shall not draw on official data or ideas which have not become part of the body of public information, except under circumstances where the Chairman of the Board or Executive Director has given written authorization for such use on the basis that its use is in the public's interest.
- 7.5. If a Board member receives compensation or anything of monetary value for engaging in an activity under section 7, the subject matter shall not be devoted substantially to the responsibilities, programs, or operations of the Board, to his or her official duties or responsibilities, or to information obtained as a result from his or her position as a trustee.

8. Disclosure of Information

- 8.1. Board members shall file the disclosure statement required pursuant to §161, of the Retirement Reform Act, as amended.
- 8.2. In the event a Board member is unable to file the required personal financial disclosure statement by the April 30th deadline, such Board member shall make a written request

to the Board for extension of the time to file. The written request shall contain an explanation of the circumstances surrounding the need for an extension and an estimated date of filing; provided however that no extension may be greater than 6 months for the April 30th deadline.

- 8.3. If, after the filing of the annual personal disclosure statement, but before the due date of the next filing, a Board member acquires a loan, purchases stocks, bonds, subscriptions rights, warrants, options, or acquires any other form of financial interest or liability from a service provider, such information shall be immediately disclosed, in writing, to the Chairman of the Board.
- 8.4. All staff members shall also be required to annually disclose, in writing, all loans, stocks, bonds, options, or any other financial interest or liability that has been acquired from a service provider or fiduciary of the Fund. Staff shall make such disclosure to the Executive Director and the Chairman of the Board, and the Executive Director shall make such disclosure to the Board.

9. Definitions

- 9.1. For purposes of these guidelines the term “gift” means a payment, subscription, advance, forbearance, rendering or deposit of money, service, or anything of value, including food, lodging, transportation, entertainment, and reimbursement for other than necessary expenses, but does not include:
 - 9.1.1. A political contribution otherwise reported as required by law;
 - 9.1.2. A loan made in a commercially reasonable manner (including requirement that the loan be repaid, at a reasonable rate of interest);
 - 9.1.3. A bequest, inheritance, or other transfer at death;
 - 9.1.4. A bona fide award in recognition of public service and available to the general public;
 - 9.1.5. A reception at which a public official, Board member or employee is to be honored; or
 - 9.1.6. Meals, beverages, or entertainment consumed or enjoyed; provided that the meals, beverages, or entertainment are not consumed or enjoyed in connection with a gift or overnight lodging.
- 9.2. For purposes of these guidelines, the term “de minimis” shall be financial gain no greater than one thousand dollars (1,000) per year from any one service.
- 9.3. For purposes of these guidelines, a “substantial business associate” means a co-officer or manager in a business entity, a business partner, or a member of a trust, over which

the Board is trustee, or of a business in which a Board member owns a 10% interest. Fifty percent (50%) ownership shall be a “material financial interest”.

- 9.4. For purposes of these guidelines, a “just financial obligation” means one acknowledged by the Board member (or staff person), or reduced to judgment by a court, or one imposed by law; and “in a proper and timely manner” means in a manner which the agency determines does not, under the circumstances, reflect adversely on the Board or the District of Columbia Government. In the event of a dispute, these guidelines do not require an agency to determine the validity or amount of the disputed debt.