

**THE EMPLOYEES' RETIREMENT SYSTEM
and OPEB TRUST – CITY OF BALTIMORE**

**REQUEST FOR PROPOSALS (RFP)
for
ALTERNATIVES CONSULTANT**

Timeline

Date of RFP process Approval	August 15, 2024
Deadline for written questions to BCERS	October 4, 2024
Deadline for submission of proposals	November 8, 2024
Tentative interview date	January 16, 2025

Delivery of Proposals

Proposals are to be delivered as follows:

Submit one (1) electronic copy in PDF format via email to rfpers@bcers.org, and submit one (1) hard copy of the proposal to:

Donna S. Bowen, Senior Executive Assistant
Employees' Retirement System, City of Baltimore
7 East Redwood Street, 12th floor
Baltimore, Maryland 21202

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SECTION I: Background & Nature of Services Required

This section contains important information covering the Baltimore City Employees' Retirement System ("ERS") as well as the Retiree Benefit Trust ("OPEB Trust") and the proposal process for selecting an Alternatives Consultant. For the purpose of this RFP, the Employees' Retirement System and the OPEB Trust will be referred to as Baltimore City Employees' Retirement Systems ("BCERS").

A. Introduction

The BCERS is soliciting proposals for a full-service professional Alternatives Consultant, on a non-discretionary basis, with broad investment expertise and service capabilities to assist the Board and work operationally with the BCERS staff. The Board will be contracting with only one investment firm to assist with the alternative investment management of the BCERS.

B. BCERS

The Employees' Retirement System was established January 1, 1926, by City Ordinance as contained in Article 22 of the Baltimore City Code. It is a contributory, defined benefit local government retirement plan that provides service retirement, disability and death benefits to non-uniformed employees of the City of Baltimore, and to the survivors and beneficiaries of such employees. In 2024, members' contributions were 5% of pay. As of June 30, 2024, total ERS membership was 17,869.

The OPEB Trust was established in 2007 by the City, in response to the Governmental Accounting Standards Board Statement Numbers 43 and 45, to pre-fund retiree healthcare and other post-employment benefits ("OPEB Trust").

As a fiduciary body, the BCERS Board has responsibility for managing and investing the funds of the ERS and the OPEB Trust.

BCERS is governed by a single nine (9) member Board of Trustees comprised of: two ex-officio members; two members appointed by the Mayor; two additional members appointed by the Mayor, subject to recommendations made by the President of City Council; two trustees elected by the active members of the ERS System; and one trustee elected by the retired members of the ERS System. Appointed and elected trustees each serve a four-year term. Appointed trustees continue to serve until replaced by the Mayor or until the expiration of two consecutive full terms. The members of the Board, in conjunction with the Executive Director determine policies and make investment decisions concerning the administrative and investment operations of the BCERS.

C. Investment Program

Please refer to the BCERS' Statement of Investment Objectives, Policies and Guidelines, for information on the investment program, as outlined in the Board of Trustees Governance Manual posted on our website: <https://www.bcers.org/publications/governance-manual/>

The investment managers for ERS are contained in the Annual Comprehensive Financial Report (ACFR) posted on our website: <https://www.bcers.org/wp-content/uploads/2023/12/ERS-ACFR-LowRes.pdf>

As of 6/30/24, BCERS' total portfolio was valued at about \$2.1 billion with target allocations as follows:

Employees' Retirement System -- \$2.1 billion

Asset Class	Target
U.S. Equity	22%
U.S. Fixed Income	18%
International Equity	15%
Real Estate	15%
Private Equity	15%
Defensive Equity	7%
Low Volatility	4%
Private Credit	4%

OPEB Trust -- \$963.9 million

Asset Class	Target
U.S. Equity	29%
Non-U.S. Equity	22%
U.S. Fixed Income	19%
Real Estate	13%
Private Equity	9%
Defensive Equity	8%

As of June 30, 2024, the investment managers for the OPEB Trust are:

Defensive Equity – Neuberger Berman

U.S. Domestic Equity -- Cooke & Bieler; Edgar Lomax; Mellon Index

Fixed Income -- Baird Advisors; Invesco; MCM Aggregate Bond Index

International Equity -- Earnest Partners; MCM All-Country World Index Ex-US Fund

Private Equity -- Ares - Landmark Partners; Avance; BlackRock; Chicago Pacific Founders, GenNx360 Capital Partners; I Squared Global Infrastructure; Lightspeed Venture Partners; Oaktree Special Situations Fund; Reverence Capital Partners; RLJ Equity Partners; Siris Partners; Tailwater Energy; Vistria Fund; Vivo Capital; Vitruvian Investment Partnership

D. Scope of Service

Under the direction of the Board of Trustees, and staff, the Alternatives Consultant will provide comprehensive, full-retainer, alternatives consulting advice and services to include Private Equity. Specifically, the successful firm will demonstrate superior experience and capability in the area of alternative investments, with primary responsibility for an appropriately structured private equity program.

Please note that BCERS currently retains a separate general investment consultant, Marquette Associates, Inc., that assists with strategic and tactical investment planning, asset allocation, market research, investment due diligence, portfolio monitoring, performance measurements

and reporting. The role of the general consultant included all asset classes until 2017, when the Alternatives Consultant was initially hired.

The following are examples of the duties the BCERS expect the Alternatives Consultant to perform.

(1) Private Equity Oversight Duties:

- Assist the BCERS Board of Trustees (Board) and BCERS staff in the development of appropriately structured private equity programs; assist with the establishment of goals, strategies, objectives and performance standards.
- Develop a structured, ongoing process to screen the global universe of available private equity investments (i.e., U.S. and non-U.S. opportunities) and identify those most appropriate for BCERS portfolios; provide necessary reports summarizing screening activity.
- Evaluate prospective investments, including those that may be sourced by BCERS staff. If appropriate, engage in comprehensive due diligence that may include general partner site visits, background and reference checking.
- Present written investment recommendation reports to the Board and BCERS staff; reports will include, but shall not be limited to, full results of the comprehensive due diligence, strategic considerations, partnership reviews, commitment amounts and how the investments complement the overall portfolio.
- Work with BCERS staff and legal counsel to negotiate, in the best interests of BCERS, relevant contracts and legal documents including, but not limited to, limited partnership agreements, side letters, and subscription agreements.
- Coordinate and communicate with BCERS and other BCERS consultants and advisors as appropriate to ensure effective administration of the private equity programs.
- Provide on-going investment monitoring that may include attending annual meetings, analyzing policy and peer benchmarks, and conducting manager meetings.
- Provide regular updates/assessments of relevant operational and/or strategic changes with investment managers, including, but not limited to, performance, organization, ownership, investment products, and disclosure issues.
- Review and recommend course of action on all fund documents, consents and extensions. Ensure that investments comply with the terms of their contracts.
- Assist and advise BCERS staff with work-out situations, breaches or violations of limited partnership and side letter provisions, and fund dissolutions as may arise.

(2) Policy Duties:

- Provide recommendations concerning and assist with developing investment goals, policies, guidelines and procedures for private equity publicly managed portfolios.

(3) Investment Manager Oversight Duties:

- Provide manager selection services and recommendations.
- Provide access to analytical software and tools (if available).
- Provide recommendations concerning investment manager allocation and structure, manager guidelines and benchmark identification.

(4) Database / A.I. Management Duties:

- Maintain information on portfolio exposure to vintage years, sub-asset classes (i.e. buyout, venture capital, special situations, etc.), geographic regions, and industries. Maintain information by portfolio type (core private equity portfolio, specialized portfolio, and aggregate portfolio).
- Maintain historical information on all cash flow, net asset values, commitments (total, funded, and unfunded), fee payments, cost basis and returns on each investment.
- Calculate performance metrics including IRR and multiple calculations measured against performance benchmarks.
- Provide ability to review cash flows and performance data by individual investment, sector, sub-asset class and portfolio type over quarterly periods.

(5) Reporting Requirements:

- a. Quarterly performance report to include at a minimum:
 - i. Market overview and outlook
 - ii. Allocation breakdown by geography, strategy and industry
 - iii. Update on each fund
 - iv. Listing of each fund by strategy
 - v. Date of commitment to each fund
 - vi. Commitment amount to each fund
 - vii. Drawdown amounts by fund
 - viii. Outstanding commitment by fund
 - ix. Distribution amounts by fund
 - x. Fund net asset values
 - xi. IRR and multiples of each fund
 - xii. Items vi through xi aggregated for the core private equity portfolio, specialized, portfolio, and total portfolio (core and specialized).
- b. Monthly Report to include at a minimum:
 - i. Listing of each fund by strategy
 - ii. Date of commitment to each fund
 - iii. Commitment amount to each fund
 - iv. Drawdown amounts by fund
 - v. Outstanding commitment by fund
 - vi. Distributions by fund
 - vii. Items iii through vi aggregated for the core private equity portfolio, specialized, portfolio, and total portfolio (core and specialized).

- c. Reconcile monthly and quarterly reports with the records of BCERS custodian bank; provide any other reporting required by BCERS' Accounting Division.
- d. Provide assistance with appropriate information to satisfy public information requests or public reporting requirements.

(6) Training, Education and Client Relations Duties:

- Attend BCERS Board meetings and other special meetings, as specified in the annual meeting schedule, to present performance, program updates, research, analyses, written reports, publications, recommendations and respond to questions relating to the alternative programs.
- Participate in ad hoc workshops or Board retreat.
- Develop educational materials and training for Board on a periodic basis.
- Respond to inquiries between meetings in an appropriate and timely manner.
- Share all firm research, including white papers, and provide access to research staff.
- Report, in a timely manner, any significant changes in the firm's organizational structure and staffing.
- The Alternatives Consultant may also be asked to provide other services as required by the Board and/or the staff, such as joint due diligence visits or calls to existing or new managers.

E. Minimum Qualifications

A proposing firm (Proposer) must meet all of the following minimum qualifications to BCERS' satisfaction to be given further consideration. Failure to satisfy each of the minimum qualifications may result in the immediate rejection of the proposal.

- The firm must have been in business for at least seven (7) or more years providing general consulting services plus private equity consulting services or alternatives consulting services only.
- The senior members of the firm must have worked together for at least five (5) years.
- The firm must be directly responsible for the management of the account, and all personnel responsible for the account must be employees of the firm.
- Must currently serve as consultant for at least five pension funds each with aggregate assets over \$1.5 billion in the public funds, endowment, or corporate pension fund markets. Must also consult for clients with private equity investment programs of at least 10% of total assets.
- The primary consultant assigned to the BCERS relationship must have a minimum of five (5) years of consulting experience with defined benefit public pension plans, and have been employed by the firm for at least three (3) years.
- Serve as a fiduciary to the Board and acknowledge in writing to comply with the Board's Investment Policies and Guidelines.

- The firm must not have existing or potential material conflict of interests to the BCERS Board, staff, actuary, auditor, investment managers, or other consultants.
- Maintain a current registration with the Securities and Exchange Commission as an Advisor under the Investment Advisory Act of 1940 as amended.
- The firm must carry the following insurance coverage or must have applied for it by the RFP submission date:

General Liability	---	Min	\$ 5,000,000
Error and Omissions (Professional Liability)	---	Min	\$5,000,000
Fiduciary Liability	---	Min	\$ 1,000,000

BCERS reserves the right to require a higher insurance coverage, if it deems necessary.

All minimum qualifications must be met as of **November 8, 2024 – 3:00 P.M. Eastern Daylight Time (EDT)**.

F. Evaluation Criteria

A summary of the proposals will be presented to the BCERS Board of Trustees. The Board will select the finalists for subsequent oral presentation of their proposals. The following is a summary of the general considerations that will be used to determine the firms that will be selected as finalists:

- Firm personnel, stability, experience & proposed consultant team
- Understanding of the BCERS objectives to deliver
- Process, due diligence and Analytical Tools & research
- Reporting and monitoring of manager performance and activities
- Proposed fees
- Objectivity of Investment Advice

G. Certificate of Independence

Finalist candidates to this RPF will be required to file with the Executive Director, prior to their interview date, a Certificate of Independence indicating whether or not the firm or any individuals with the firm have a possible conflict of interest or any relationship with the Board members or certain BCERS staff.

H. Frequently Asked Questions (FAQ)

1. What prompted the search?

In keeping with best practices and the Board's fiduciary duties to its members, the Board is undertaking a genuine search for a specialty consulting firm that will best meet the needs of the BCERS for Alternative investments.

2. Who is the incumbent consultant?

The incumbent Alternatives Consultant is the Meketa Group. Meketa will be permitted to submit a proposal in this search.

3. Who is the general investment consultant?

The general investment consultant for the BCERS is Marquette Associates. Marquette will not be permitted to submit a proposal in this search.

4. What strategic projects are likely to be undertaken by the alternatives consultant at the onset of the engagement?

Initially, the Alternatives Consultant will conduct an overall assessment of the current private equity portfolio structures and will provide recommendations as needed.

5. What is the Board's schedule with respect to monthly meetings that the Alternatives Consultant would be expected to attend?

The Board meets once a month and the Alternatives Consultant is expected to attend.

SECTION II: Process for Submitting Proposal

A. Submission of Proposal

Proposals must be received no later than **3:00 P.M. EDT, November 8, 2024**.
One (1) electronic copy in PDF format must be emailed to: rfpers@bcers.org

Additionally, each proposing firm must submit one (1) paper version, all fully signed and sealed, to:

Donna S. Bowen, Senior Executive Assistant
Employees' Retirement System, City of Baltimore
7 East Redwood Street, 12th floor
Baltimore, Maryland 21202

Any proposals received after this date and time will be rejected. BCERS does not accept any responsibility for receipt of any proposal that is improperly labeled, lost or delivered late. Once received by BCERS, a proposal cannot be altered or replaced.

B. Timeline for Search and Selection Process

By September 4, 2024	RFP published and posted on website
October 4, 2024	Deadline for submission of questions concerning the RFP, and Intent to Respond
November 8, 2024	Deadline for submission of proposals
December 19, 2024	Summary Report of proposals presented to Board of Trustees for selection of finalists for interview
January 16, 2025	Board interviews of finalists and Selection of Alternatives Consultant
After Board Decision	Contract process, execution and Baltimore City Board of Estimates approval by the end of February 2025.

BCERS will make best efforts to follow the above timeline but reserves the right to amend it as necessary.

C. Intent to Respond

Firms intending to respond to this RFP are asked to send an e-mail to BCERS at rfpers@bcers.org by October 4, 2024. Failure to do so shall not preclude firms from nevertheless submitting a proposal by the required deadline of November 8, 2024.

D. Quiet Period, Questions and Communication regarding the RFP

The Board has designated a "quiet period" for the duration of the Alternatives Consultant search and selection process, during which time Trustees may not communicate with consultant candidates, except for official search-related interviews, due diligence and ongoing business with the current consultant.

To assist the Board and BCERS staff in implementing this quiet period, all questions regarding the intent or content of this RFP or the proposed process must be directed in writing to Mr. David A. Randall by e-mail at rfpers@bcers.org on or before October 4, 2024. The subject line of the email should show the name of your firm and "Alternatives Consultant RFP Question". Responses to questions will be considered Addenda (see E below) and will be posted on the BCERS website, as described below.

E. Addenda to Request for Proposals

BCERS may modify this RFP, prior to the proposal due date, by issuing written addenda. Addenda will be posted on the BCERS website at: www.bcers.org. The Proposer shall be responsible for ensuring that its proposal reflects any and all addenda issued by BCERS prior to the proposal due date regardless of when the proposal is submitted. Therefore, BCERS recommends that Proposers review the BCERS website frequently, including shortly before the proposal due date, to determine if they have received all addenda.

F. Ambiguity and Omissions in RFP

Proposers are responsible for reviewing all portions of this RFP. Proposers are asked to promptly notify BCERS, in writing, and if the Proposers discover any ambiguity, discrepancy, omission, or other errors in this RFP. Modifications and clarifications will be made by addenda as provided above.

G. Preparation of the Proposal

1. Format of Proposal

The proposal must be sequentially page numbers, organized and indexed in the following format, as outlined in detail in Section III that follows:

- (a) Letter of Transmittal
- (b) Response to Questionnaire
- (c) References
- (d) Fee Proposal
- (e) Additional Documents and Materials

Please note: Signatures of principals or officers authorized to bind the Proposer are required in the Letter of Transmittal and the Fee Proposal.

2. Response to Questionnaire and Requests for Information

Respond to all questions, and requests for information, in the order that they are presented in Section III of this RFP. Documents and materials requested in Section III: Part C shall be included as Exhibits to the Proposal, as specified therein.

Be clear and succinct. Ensure that each response is specific to the question asked or information requested. Unnecessary or superfluous information will be disregarded. Incomplete or misleading responses may lead to the rejection of the proposal and elimination of the firm from the search process.

At any time during the proposal evaluation process, BCERS may require a Proposer to provide oral or written clarification of its proposal. However, BCERS reserves the right to make an award without further clarification or proposals received.

3. Revision of Proposal

A Proposer may revise a proposal on the Proposer's own initiative at any time before deadline for submission of proposals. The Proposer must submit the revised proposal in the same manner as the original. A revised proposal must be received on or before the proposal due date.

In no case will a statement of intent to submit a revised proposal, or commencement of a revision process, extend the proposal due date for any Proposer.

4. Errors and Omissions in Proposal

Failure by BCERS to object to an error, omission, or deviation in the proposal will in no way modify this RFP or excuse the Proposer from full compliance with the specifications of this RFP or any contract awarded pursuant to this RFP.

5. Financial Responsibility and Ownership of Documents

Any costs incurred in the preparation, submission or presentation of proposals shall be borne solely by the proposing firm. Responses to this RFP and associated materials will become the property of BCERS and may be returned only at BCERS' option.

6. Governing Law

This procurement and any agreement with Proposers that may result shall be governed by the laws of the City of Baltimore and the State of Maryland. Submission of a proposal constitutes acceptance of this condition.

7. Maryland Public Information Act

Materials contained in proposals are subject to the Maryland Public Information Act, Md. Code, GP §§ 4-101 et seq., and any regulations promulgated thereunder ("the Act"), and may be subject to disclosure to the public. If any portion of a proposal is believed to be exempt from public disclosure under the Act, such portion must be

clearly marked “trade secrets” or “confidential commercial information,” as applicable. By submitting a proposal with material marked “trade secrets” or “confidential commercial information”, the proposing firm represents it has a good faith belief that the material is exempt from disclosure under the Act. However, such designations will not be binding on the BCERS, and the proposing firm may be required to justify in writing why such material should not, upon request, be subject to disclosure under the Act.

H. Cancellation of the RFP

BCERS reserves the right to cancel this RFP at any time, and to reject any and all proposals submitted in response to this RFP if it is in BCERS' best interest. This RFP in no manner obligates BCERS to the procurement of services until a written contract is entered into, negotiation of which may be terminated at any time by BCERS. If negotiations fail, BCERS may accept another submitted proposal, at its option. BCERS may terminate negotiations at any time prior to the signing of a contract.

SECTION III: Information To Be Provided

Part A: Letter of Transmittal

The Proposal must include a Letter of Transmittal or cover letter signed by one or more individuals who are authorized to bind the firm contractually. The Letter of Transmittal shall be considered an integral part of the Proposal and must contain the following:

1. The Proposer's name, address, telephone number and e-mail address.
2. The Proposer's Federal Employer Identification Number and Corporate Identification Number, if applicable.
3. The name, title or position, telephone number and e-mail address of the individual signing the cover letter.
4. A statement that the signature is authorized to bind the Proposer contractually.
5. The name, title or position, telephone number and e-mail address of the primary contact and/or account administrator, if different from the individual signing the cover letter.
6. A statement to the effect that the proposal is a firm and irrevocable offer, good for 180 days from the deadline for submission of proposals.
7. A statement expressing the Proposer's willingness to perform the services as described in this RFP.
8. A statement expressing the Proposer's availability of staff and other required resources for performing all services and providing all deliverables within specified time frames.
9. A statement that the proposing firm meets the Minimum Qualifications for the Proposal set out in Section I-E of this RFP.
10. A statement accepting BCERS' mandatory contractual provisions as provided in Appendix II to this RFP, subject to written objections, if any, which should be specifically identified by the proposer in the Letter of Transmittal.
11. A statement that the firm acknowledges that all documents submitted pursuant to this RFP will become a matter of public record, except those portions which are claimed and determined to be exempt from disclosure under The Act, as set forth in Section II-G above.
12. A signed and completed copy of **Appendix A**, Representations and Warranties.

Part B: Questionnaire

In completing the questionnaire, please ensure the text of each question precedes your response. A separate Word version of the Questionnaire will be made available to interested firms to facilitate the preparation of proposals.

Be clear and succinct in your response. Ensure that each response is specific to the question asked or information requested, and following the format requested (e.g., "Indicate Yes or No", "Select the correct response", "Complete the table provided"). Unnecessary or superfluous information will be disregarded.

(A) Organization

1. Provide the address of the office that will service this account. If you have other office locations, provide the address and telephone number for each office and total number of employees in each office. Briefly explain the primary functions performed within these offices.
2. Give a brief history of your firm's involvement in the private equity consulting business, including the year of organization, current ownership structure by percentage, and affiliations. Please state the name of any one owner who controls more than 50% of the firm. Identify any owners who are not involved with the ongoing management or daily affairs of the firm.
3. Has your firm undergone ownership structure changes in the past three years, or is ownership change planned or anticipated at this time? Briefly explain.
4. Please provide as **Exhibit #1** the following organizational charts:
 - a. Parent/subsidiary relationships.
 - b. Respondent's organization (indicating key personnel names and titles).
 - c. Your consulting unit listing major functional areas with the names and titles of key staff in each area along with the total number of staff in each area. If there are overlaps, please indicate and explain as a footnote.
5. How many years has your firm provided private equity consulting services on a non-discretionary basis? How many years has your firm provided non-discretionary consulting services to public pension plans?
6. Please indicate whether your firm is a registered investment advisor under the Investment Advisor Act of 1940 and whether your firm functions as a fiduciary. If so, please provide a copy of the firm's most recent Form ADV (Part I & II) and attach as **Exhibit #3**. Will you be a fiduciary to BCERS? Please elaborate if your firm will not act as a fiduciary.
7. What are your firm's consulting specialties, strengths, and limitations? What differentiates your firm from competitors?
8. Does your firm provide private equity consulting services to private equity managers (i.e., fund-of-fund managers, discretionary private equity managers)? If so, please explain how you manage conflicts of interests.

9. For the past 5 calendar years, please list your firm’s lines of business and approximate contributions of each business to your firm’s total revenue (expressed in dollars and percentages). If you are an affiliate or subsidiary of an organization, what percentage of the organization’s total revenue does your division generate. Please include any organization that your firm has a financial relationship with.
10. Does your firm subcontract or outsource any parts of your investment consulting business? Please describe in detail which functions are performed externally, reason for doing so, and the names of the sub-providers.
11. Describe your present and future business plan/strategy as it relates to ownership structure and private equity consulting services. Describe your plans for managing the future growth of your firm in terms of staff, maximum assets, number of clients, etc. and how this impacts your ability and commitment to servicing your existing clients.

(B) Clients

12. Please complete the table below as of **June 30, 2024**. Exclude any project-based clients (no long term retainer).

Client Base Profile		
Client Type	Number of Non-Discretionary	Total Number of Clients
U.S. Public Pension Funds		
Corporate Pension Funds		
Endowments/Foundations		
Other (Please specify)		

13. Please indicate the number of non-discretionary private equity consulting clients gained and/or lost for the periods listed below. Exclude any project-based clients (no long term retainer).

Fiscal Year	Number of Clients Gained	Number of Clients Lost	\$ Amount of AUM	Reason for termination
2024				
2023				
2022				
2021				
2020				

14. Please list your 5 largest non-discretionary institutional clients (as measured by total plan size) as of **June 30, 2024** in the table below. Exclude any specific project-based clients (no long term retainer). Also, list those clients you are using to meet the RFP minimum qualifications and place a “ † ” next to their names.

Client Name	Total Plan Size	Private Equity Program Size*	Years with Client	Client Type
e.g. Client 1	\$10,000	\$1,000	5	Public Pension
e.g. Client 2	\$8,500	\$600	7	Corporate
e.g. Client 3	\$8,000	\$300	2	Endowment

*Total capital commitments

(C) Personnel

15. State the total number of professionals providing professional-level private equity consulting services within your organization. Please complete the following table for all professionals within your organization who are responsible for providing private equity consulting services. Indicate how many of these professionals would have direct responsibility for the BCERS account by placing a “ * ” next to their name.

Team Experience					
Name	Title	Job Function	Education, Credentials, Professional Designations	Years of PE Experience at Firm	Total Years of PE Experience

16. Complete the table below for the primary consultant(s), backup consultant, and support personnel who would be responsible for the BCERS account. Please provide as **Exhibit #2** brief biographies on each individual including titles, functions, academic and professional credentials, relevant experience, number of years in current position and total years of private equity experience. Identify and explain the role of backup personnel and other contingency plans in the case of key professionals and/or primary personnel leaving.

Primary Consultant, Backup Consultant, and Support Personnel Profile						
Name	Primary (P), Backup (B), or Support (S)?	Title	Office Location	Total Number of Accounts Assigned	Years w/Firm	Years of Experience

17. List and describe how many support staff, such as research analysts and other technical personnel, that the primary consultant has access to in servicing the BCERS account. Is there a limit on the number of accounts that a consultant may handle?
18. Describe the turnover in key professionals in each of the last 5 years. Indicate the number of people gained/lost in the following categories:
- i. Client consultants
 - ii. Key technical personnel
 - iii. Management professionals

Turnover of Key Professionals					
Name	Position	Year Joined/Left Firm	Years with Firm	Replacement	Reason for Leaving

19. For the primary and backup consultants assigned to the BCERS account, please provide a profile of all of their current clients using the format below. Provide the client name, plan type (such as U.S. public pension, corporate, endowment/foundation, etc.), length of relationship (relationship with the stated client), client’s total asset size and client’s private equity portfolio size (based on total commitments).

Primary Consultant’s Current Clients				
Client Name	Plan Type	Length of Relationship (in Yrs)	Total Asset Size (US\$ millions)	Private Equity Portfolio Size (US\$ millions)

Backup Consultant’s Current Clients				
Client Name	Plan Type	Length of Relationship (in Yrs)	Total Asset Size (US\$ millions)	Private Equity Portfolio Size (US\$ millions)

(D) Services

20. List all services provided in a typical private equity full service non-discretionary consulting and performance monitoring relationship. List the special services that you have provided to meet needs of other clients including any service mentioned or referenced in this RFP. Which of those services are in addition to the Scope of Services described in this RFP? Also, indicate which services mentioned or referenced in this RFP that you will not provide.
21. Briefly summarize your philosophy relating to the consultant’s relationship with Boards, staff and private equity managers.
22. What approaches does your firm use to communicate with your clients? What should a client expect from you in terms of client service? What is your availability to meet with the Board and staff for investment policy review, manager searches, and other issues that may arise? If awarded a contract, what is your plan for ensuring that the relationship with BCERS is successful?
23. Do you attend annual manager or partnership meetings on behalf of your clients? If not, will you participate at a client’s specific request and will there be a charge for this service?
24. Describe the services of your organization that distinguish your firm from other private equity consultants. Discuss how your strengths would add value to BCERS’ portfolio.

25. Please elaborate on the approach, frequency, and staffing assigned to the following services for a non-discretionary private equity engagement.
- i. Partnership or fund sourcing.
 - ii. Desk review & on-site due diligence; preparation of comprehensive due diligence reports.
 - iii. On-going fund and GP monitoring.
 - iv. Strategic and tactical planning and pacing studies.
 - v. Asset allocation and risk management advisory for private equity programs.
 - vi. Legal (partnership document) review.
 - vii. Terms and conditions negotiation.
 - viii. Work-out situations.
 - ix. Performance reporting.
 - x. Annual GP meeting attendance.
 - xi. Private Equity program policy development and program structuring assistance.
 - xii. Cash flow modeling.
 - xiii. Capital call and distribution notice review and checks and balances process.
 - xiv. Other services (please elaborate).

(E) Assets Under Management

26. Complete the table below for the total amount of non-discretionary assets under management (based on market value plus unfunded commitments) as of **June 30, 2024**.

Firm Assets Under Management by Client Type (US\$ millions)		
	Non-Discretionary AUM	Total AUM
U.S. Public Pensions		
Corporate Pensions		
Endowments/Foundations		
Other (specify)		
Totals		

27. Indicate the total amount of non-discretionary assets under management (as of June 30 of each fiscal year) by investment vehicle type in the table below.

Non-Discretionary AUM by Investment Vehicle Type (US\$ millions)						
Fiscal Year	Direct	Commingled	Co-Investment	Secondary	Other (specify)	Total
2024						
2023						
2022						
2021						
2020						

(F) Philosophy and Approach

28. Please describe your firm’s current consulting philosophy and approach to non-discretionary private equity consulting services.
29. Does your firm favor or specialize in a particular sector of the private equity market (e.g., mega buyout, large buyout, middle market buyout, early stage venture, late stage venture, growth

equity, mezzanine debt, distressed debt, etc.)? Please elaborate on the pros and cons of the various sectors and how you might position BCERS' private equity portfolio to gain diversification.

30. How does your firm ensure that it is obtaining broad coverage of the best (i.e., top quartile) general partners?

(G) Firm Capabilities & Investment Process

31. Explain the firm's overall investment process for a non-discretionary relationship. How do you construct portfolios to optimize diversification across the number of general partner relationships, number of fund commitments, capital commitment per fund, sub-asset classes, sectors, vintage years, etc?
32. How does the firm source and develop new relationships with general partners prior to making a commitment? Does your firm prefer to strengthen existing relationships and do follow-on funds or seek new general partners to find added value?
33. How would you assist BCERS in developing new relationships with top quartile general partners while maintaining strong relationships with BCERS existing top performing general partners?
34. How many general partners have you met with annually in each of the last three years (ending December 31, 2024) in your offices? How many have you met with at the general partners' offices in each of the last three years (ending December 31, 2024)?
35. Describe the benchmark or process that the firm uses to determine which general partners are "top quartile." What are the advantages and disadvantages of using this benchmark or process?
36. What is your process for identifying and analyzing first-time funds? How many first-time funds have you made commitments to within each of the last five years? List a sample of the first-time funds you have made commitments to. Indicate the strategy of the funds, vintage year, and provide the gross IRR of each fund as of December 31, 2024. Conceal names as appropriate.
37. Over the next three to five years, which of the markets listed in the previous question do you intend to make new investments in or exit? Why do you believe opportunities exist or do not exist in these markets? If BCERS awarded you the alternatives consulting services contract, what would you project the committed capital weights (in percentage terms and adding to 100%) of BCERS private equity portfolio to be for each of the regions above in the year 2025? 2026?
38. Explain how the firm determines its private equity strategic allocation policy (i.e., the allocation between buyout, venture capital, growth equity, distressed debt, special situations, secondary funds, etc.) for U.S. public pension plans like BCERS. Is the allocation policy similar for all of your U.S. public pension plan clients or customized to meet specific client needs? Please explain.
39. Briefly describe the firm's due diligence process for investments. Please attach (a) a copy of a recent due diligence report recommending a commitment and (b) a recent due diligence report where an investment was declined. Redacted reports are acceptable. Attach as **Exhibit #4**.
40. What is your approach to allow the client to source its own partnerships funds for referral to the private equity consultant? Please describe any experience your firm may have in this arrangement?

41. Briefly describe the firm's approach to evaluating non-U.S. and non-Western European private equity investments. How does the firm's process for evaluating these investments differ from U.S. and Western European investments?
42. Briefly describe the firm's experience with opportunistic alternative investments (e.g., mezzanine, distressed debt, etc.).
43. Describe the firm's experience with fund managers in Africa and the Middle East and other emerging managers. What is your definition of an "emerging manager"? How do you source these types of funds? List a sample of emerging managers you have made commitments to. Include the fund name, strategy, and vintage year.
44. Does your firm manage its own private equity fund-of-funds? If so, describe the strategy and return expectation of these fund-of-funds. Would your firm ever recommend a fund-of-funds managed by another investment manager over your own fund-of-funds? Also, how does your firm allocate private equity investment opportunities between your separate account clients and the fund-of-funds that you manage and ensure that there are no conflicts of interests? Does your firm manage any other types of assets besides private equity fund-of-funds?

(H) Database

45. Describe the overall capabilities of your investment manager system and /or A.I.
46. How many of the following are tracked on your performance database?
 - i. Managers/advisors
 - ii. Direct investments
 - iii. Commingled funds
 - iv. Specialized, non-traditional funds
47. How frequently is the private equity investment manager information updated? What are the sources of data and how do you ensure that your data is an unbiased and fair representation of the private equity investment manager universe? What are the specific criteria used to determine the investment strategy (core, enhanced, high return, etc.) for an investment manager or product? How is the information verified?
48. What level of detail is included in your Database / A.I. for screening purposes (e.g., assets under management, client information, staffing information, research capabilities, fees, etc.)?
49. Do you receive a fee or other consideration from investment managers who wish to be maintained on your database? Do you sell Database / A.I. information? Do you receive compensation directly or indirectly from the sale of this information? What percentage of your revenue do you derive from sales to or subscriptions from investment managers on your database?

(I) General Partner Searches

50. Please list the firm's top 5 existing general partner relationships where your firm has made a commitment to at least two or more of their funds. Include the strategy of the funds. For confidentiality purposes, instead of using actual fund names, you may list them as "Fund 1, Fund 2, etc." Explain why each of these general partners is a top 5 relationship for your firm.

51. How are potential private equity investment opportunities identified and how many have been evaluated per year since 2022?
52. Briefly describe your due diligence process on investment managers during searches. What criteria do you use to evaluate investment opportunities? How does on-site due diligence fit into the process? Who or what internal governance body approves commitments to funds? Are such commitment decisions approved for all similar clients or are they specific to each client?
53. Discuss the number of individuals assigned to monitoring investment products and frequency of both their internal and external manager visits. How many due diligence site visits are conducted each year by each of these key staff?

(J) Investment Policy & Asset Allocation

54. Describe your pension fund experience (preferably public pension fund experience) and approach in developing investment policy and objectives for a diversified pension fund, particularly within the context of a comprehensive strategic plan. Comment on your process for analyzing a client's portfolio structure and for recommending changes. Describe the manner in which you assist the Board in monitoring investment policy, strategy and asset mix.
55. Please provide an example of investment policies focused or specific to private equity . Briefly address in the policy any economic/market assumptions and how the strategy achieves its objectives given the current and future changes in interest rates, inflation, and supply and demand constraints. Please attach this policy as **Exhibit #5**.
56. What is your outlook on some of the key global events in the U.S., Europe, Asia, Africa and the Middle East? How does inflation factor into your views? What are the specific investment strategies and policy that you believe will help public pension plan clients achieve high levels of risk-adjusted returns?
57. Describe any comprehensive program-level risk management tools you use to understand and evaluate the various types of risk associated with a client's private equity programs. Do these tools allow for look-through to portfolio companies?
58. Based on your knowledge of BCERS and its Investment Policy Statement, please explain the approach you would take in revising the BCERS Alternative Investments Policy in terms of direction, performance, and risk of the total program.

(K) Performance Measurement

59. Describe your performance measurement system. Is the system proprietary/internally developed or an "off-shelf" product? Do you plan to make any changes to the current system?
60. Does your firm follow the Global Investment Performance Standards (GIPS)? If not, please explain why.
61. Briefly describe your methodology in computing partnership returns including the actual formula utilized, the frequency of calculation, and the treatment of cash flows, stock distributions and fees.

62. What is the basis for portfolio valuations? Do you utilize the general partners' valuations? Do you independently verify the reasonableness of general partners' valuations and what tools or service do you use to do this?
63. Please provide a sample of your firm's performance report and other standard reports. Attach as **Exhibit #6**.
64. Describe how your organization identifies problems with general partner activities and performance. Include the process by which steps are taken to rectify problems.
65. Describe the steps you have taken on behalf of your clients who have partnership investments that are performing poorly, have legal issues, or where there is a non-performing general partner.

(L) Standards of Conduct

66. Do you have any written policies or procedures to address conflicts of interest? If so, please provide as **Exhibit #7**.
67. For the past 10 years has the firm, its officers or principals or any affiliate ever:
- i. been the focus of a non-routine Securities and Exchange Commission (SEC) inquiry or investigation or a similar inquiry or investigation from any similar federal, state or self regulatory body or organization,
 - ii. been a party to or settled any litigation concerning breach of fiduciary responsibility or other investment related matters, or
 - iii. submitted a claim to your error & omission, fiduciary liability and/or fidelity bond insurance carrier(s)?
68. If 'yes' to any of the above, please provide details and the current status or disposition.
69. Has the firm adopted the CFA Code of Ethics and Standards of Professional Conduct? Does the firm have a written code of conduct or set of standards for professional behavior? If so, how is employee compliance monitored?
70. It is the BCERS' policy not to utilize third-party marketers or placement agents. What is your firm's position on third-party placement agents and do you currently engage or do business with such service providers? What is the policy for disclosure of placement agents? When and who is responsible for paying the placement agent fees? Is there one-for-one reduction in management fee of the fund for the placement agent fee?

(M) Other

71. Please provide samples of no more than three white papers or short research communications on private equity provided to your clients. Attach as **Exhibit #8**.
72. What impact has FASB 157 and GASB 72 had on your business and your ability to report valuations back to the client on a timely basis? Please describe some of the issues that your firm has addressed with complying with FASB 157 and GASB 72, especially as it relates to your U.S. public pension plan clients. What issues have your clients raised with you on this matter?

73. Describe the firm’s policy or position regarding requests pursuant to the Freedom of Information Act and other public disclosure laws. In particular, but not exclusively, address the policy as it relates to venture capital funds.
74. Explain the transition process of moving an active private equity program from the incumbent consultant to your firm. What issues would arise and what problems might be incurred as a result of the transition? Please be as specific as possible.
75. Please describe your business continuity plan. Have you ever had to activate any parts the plan? If so, describe the effectiveness of the plan and any post-activity modifications to that plan.

Part C: References

Provide three current client references for which work similar to that requested in this RFP has been performed. using the format below. Public sector fund references are preferred, with assets over \$1.5 billion for whom you provide primary consulting services comparable to the services requested in this RFP. Do not provide references that contract with you on a project-basis.

Please secure advanced permission to contact these references.

References					
Client Name	Plan Size	Contact	Title	Phone No.	Email

Part D: Fee Proposal

Please provide a fee quote for the services requested by completing the form in **Appendix B**, Alternatives Consultant Fee Schedule. The services listed in Section I-D "Scope of Services", should form the basis for the proposed fee.

- Identify the period of time the proposed fees will remain in effect.
- Please state whether you will agree to two (2) two-year options at the end of the five-year contract? If yes, please provide a fee quote for the two (2) two-year options.
- Will the firm confirm that it will not propose an increase in the fee structure for the next five years?
- Please describe your DEI goals and indicate when you adopted them. Specifically describe the process by which you will satisfy your DEI employment and contracting goals. Include the policies and procedures for outreach and recruitment of minorities and women as employees and subcontractors.
- Please describe how your firm will be able to utilize Minority and women-owned businesses located in the Baltimore market area, if possible. (If not in Baltimore area, in area of your

home office.) In addition, please complete **Appendix C**, Breakdown of Workforce by Ethnicity.

Part E: Additional Materials and Documents

In addition to the information requested in the RFP, please submit a copy of the following additional materials and documents, as outlined in Section III, Parts A and B:

- Exhibit #1 Organizational charts of the firm, parent/subsidiary relationships, organization, and consulting unit.
- Exhibit #2 Biographies of the firm's key professional staff assigned to BCERS account.
- Exhibit #3 Most recent SEC Form ADV, Part I and II. Please provide the ADV in CD format.
- Exhibit #4 Most recent due diligence reports for (a) recommending a commitment and (b) where an investment was declined.
- Exhibit #5 Examples of Investment Policies specific to private equity.
- Exhibit #6 Sample of firm's performance report and other standard reports.
- Exhibit #7 Written policies or procedures addressing Conflicts of Interest.
- Exhibit #8 Samples of no more than 3 white papers or short research communications on private equity provided to your clients.
- Appendix A Representations and Warranties
- Appendix B Consultant Fee Schedule
- Appendix C Breakdown of Workforce by Ethnicity

Appendix A

REPRESENTATIONS AND WARRANTIES

All firms are required to submit this executed copy as an attachment to the cover letter of the RFP.

- A. The firm warrants that it maintains an errors and omissions insurance policy providing not less than **\$5 million** of coverage for negligent acts or omissions, a copy of which will be submitted to the Board upon selection, and that such coverage will be applicable to the firm’s actions, responsibilities and obligations under the Agreement.
- B. The firm warrants that it accepts a fiduciary responsibility with respect to the BCERS and shall discharge its duties with respect to the BCERS in accordance with the requirements of the Baltimore City Code*, with care, skill, prudence and diligence, and in compliance with any other applicable laws. Further, the firm acknowledges that the expertise and experience of the Board with respect to the Retirement System are such that they will be relying on the expertise and experience of the firm in those matters related to the BCERS as to which services are to be provided by the firm.
- C. The firm warrants that it has completed, obtained, and performed all registrations, filings, approvals, authorizations, consents or examinations required by any government, governmental authority, or other regulatory authority with respect to all actions, responsibilities, and obligations contemplated by the Agreement.
- D. The firm warrants that it meets all of the minimum criteria applicable to the firm under this RFP.
- E. The firm warrants that the person submitting this Proposal and executing these Representations and Warranties is duly authorized by the firm to submit this Proposal and execute these Representations and Warranties.

Name of Firm	Date
Signature	Title

City of _____, State of _____

Subscribed and sworn to before me this _____ day of _____ 2024.

_____(SEAL)

Notary Public

My commission expires: _____

* [https://legislative.baltimorecity.gov/sites/default/files/Art%2008%20-%20Ethics%20\(rev%202022.08.22\).pdf](https://legislative.baltimorecity.gov/sites/default/files/Art%2008%20-%20Ethics%20(rev%202022.08.22).pdf)

**ALTERNATIVES CONSULTANT
FEE SCHEDULE**

Firms must submit their fees for alternative consulting services in the format prescribed below. The proposed fees shall include all costs and expenses for providing services to the Board as described in Section D-I of this RFP. Proposed fees must include travel, taxes and all other expenses.

PROPOSED FEES: Firms must submit an annual fee for all services as described in Section I-D (Scope of Services) of this RFP.

Year 1	\$ _____	Two (2) Two-Year Options:
Year 2	\$ _____	Option Year 1 \$ _____
Year 3	\$ _____	Option Year 2 \$ _____
Year 4	\$ _____	Option Year 3 \$ _____
Year 5	\$ _____	Option Year 4 \$ _____
 Total	 \$ _____	

Are the fees presented above negotiable?

Once a consultant has been selected negotiations of the fee may become necessary. In no case will the negotiations result in a fee that is higher than the fee contained in the proposal.

Name of Firm	Signature	Title
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**BREAKDOWN OF WORK FORCE
BY ETHNICITY**

Number of Employees										
JOB CATEGORIES	Overall	Male					Female			
	total (sum of Column B thru K A	White (not of Hispanic Origin) B	Black (not of Hispanic Origin) C	Hispanic D	Asian or Pacific Islander E	American Indian or Alaskan Native F	White (not of Hispanic Origin) G	Black (not of Hispanic Origin) H	Hispanic I Asian or Pacific Islander J	American Indian or Alaskan Native K
Officials and Managers										
Professionals										
Technicians										
Sales Workers										
Office and Clerical										
Total										