



8570 EXECUTIVE PARK AVENUE
FAIRFAX, VIRGINIA 22031

Request for Proposals

Number:	RFP 18-79
Title:	Discretionary Investment Consultant/Outsourced Chief Investment Officer (OCIO) Services
Date Issued:	June 29, 2018
Deadline for Questions:	July 13, 2018, 5:00 p.m. (EST),
Deadline for Submitting Proposals:	August 10, 2018, 2:00 p.m. (EST),
Proposals to Be Delivered to:	Procurement Department Fairfax Water 8570 Executive Park Avenue Fairfax, Virginia 22031
Procurement Contact:	Donald R. Legg, CPPO Procurement Manager Telephone: 703-289-6261 Facsimile: 703-289-6262 E-Mail: Dlegg@fairfaxwater.org

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SECTION 1

1 SUMMARY INFORMATION

1.1 Introduction and Objective

Fairfax Water (FW) is soliciting proposals from qualified professional investment consulting firms to provide comprehensive discretionary investment consulting services, also known as outsourced chief investment officer (“OCIO”) services. FW currently has a non-discretionary investment consulting relationship with the incumbent consultant.

FW was created under the Virginia Water and Waste Authorities Act pursuant to resolutions adopted by Fairfax County on September 26, 1957 and chartered by the State Corporation Commission for the purpose of establishing, operating and maintaining a comprehensive and integrated water system. FW is a public body politic and corporate and a political subdivision of the Commonwealth of Virginia. FW is managed by a ten-member Board of Directors appointed for three-year terms by the Fairfax County Board of Supervisors.

FW provides retail service to nearly one million consumers. FW also provides wholesale water service, on a contract basis, to eight other Northern Virginia water systems which in turn sell the water to residents and businesses within their respective jurisdictions. When combined with FW’s retail customers, service is provided to nearly two million people. FW holds a financial rating from the United States’ three largest credit rating agencies – Standard & Poor’s, Moody’s Investor Service, and Fitch Ratings. All three have given FW a triple-A rating.

FW sponsors a single-employer public employee defined benefit pension plan, the Fairfax County Water Authority Retirement Plan (“the Plan”). Plan membership at January 1, 2017 consisted of 334 retirees and beneficiaries, 36 inactive and deferred members, and 444 active members. The administration and operation of the Plan is performed by the Benefits Trust Committee (“Committee”). The Committee is an all-staff committee, chaired by the General Manager and vice-chaired by the Deputy General Manager. With the assistance and guidance of an investment advisor, the Plan’s investments are currently managed by approximately 10 investment management firms.

For general information about FW, please visit FW’s website at: <https://www.fairfaxwater.org/>.

As of December 31, 2017, FW’s fund (“the Fund”) consists of approximately \$270 million in assets. The asset allocation and targets are shown below.

Asset Class	Asset Allocation		
	Actual	Target	Target Range
US Equity	72.3%	70.0%¹	30-70%
Large Cap Core	30.8%	31.0%	0-40%
Large Cap Growth	6.6%	6.0%	0-12%
Large Cap Value	22.2%	22.0%	0-35%
Small Cap Core	0.1%	0.0%	0-100%
Small Cap Growth	6.8%	6.5%	0-12%
Small Cap Value	5.7%	6.5%	0-12%
International Equity	6.2%	6.0%	0-10%
Fixed Income	21.4%	24.0%	20-70%
Alternatives (Hedge Funds)	0.1%	0.0%	0-10%
Real Estate	0.0%	0.0%	0-10%
Cash	0.0%	0.0%	0-100%

¹ Underlying percentages may not sum to 70% due to rounding.

FW has invested in fund-of-funds for hedge funds, but recently moved out of that sector, and has not invested in private equity. FW is open, however, to exploring the possibility of other approaches. For more information about the investment program, please refer to the Investment Policy Statement in **Exhibit I**. A list of current investment managers, including their market values as of March 31, 2018 is included in **Exhibit II**. A copy of the most recent quarterly Investment Performance Report will be provided upon request to the Procurement Contact.

1.2 Minimum Qualifications

Firms submitting a proposal ("Offerors") must indicate whether they satisfy the minimum qualifications listed below. (FW may eliminate from further consideration any Offeror that does not satisfy them.)

- (a) The Offeror is registered as an investment adviser under the Investment Advisers Act of 1940.
- (b) At the time of submission, the Offeror provides complete OCIO services to a minimum of 10 institutional clients, each with total assets of at least \$150 million for the client's total portfolio. Complete OCIO services means the Offeror has discretion over all investment decisions regarding the client's account, with the possible exception of the long-term asset allocation decision.

1.3 Contract Award

A contract will be awarded to the Offeror whose proposal is determined to be the most advantageous to Fairfax Water. The successful Offeror will be notified by issuance of a written contract and Purchase Order. Public notice of award will be posted on the official FW web site:

http://www.fairfaxwater.org/procurement/notice_of_award.htm).

1.4 Definitions

Whenever used in this solicitation or in the contract documents, the following terms have the following meanings, which are applicable to both the singular and plural and the male and female gender thereof:

- A. Acceptance** – FW's acceptance of the project from the contractor upon confirmation from the Project Manager and the contractor that the project is totally complete in accordance with the contract requirements and that all defects have been eliminated. Final acceptance is confirmed by the making of final payment of the contract amount including any change orders or adjustment thereto.
- B. Award** – Means the decision by FW to execute a contract after all necessary approvals have been obtained.
- C. Committee** – Means the Evaluation Committee.
- D. Contract** – Means the formal written acceptance of an offer by FW in the form of a written agreement that incorporates by reference the work to be performed (i.e. the Contract Documents).
- E. Contractor** – The person, firm or corporation with whom FW has entered into a contractual agreement and includes the plural number and the feminine gender when such are named in the contract as the contractor.
- F. Default** – means that the Contractor has failed to fulfill its contractual obligations properly and on time.
- G. Desirable** – The term "desirable" or "it is desirable" is used to identify features that are desired but are not mandatory.
- H. Evaluation Committee** – The Evaluation Committee is the group of individuals appointed to review, evaluate, and rank each proposal, and make a recommendation for award.

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- I. Liquidated Damages** – A sum stated in a contract to be paid as ascertained damages for failure to perform in accordance with the contract. The damage figure stipulated must be a reasonable estimate of the probable loss, and not calculated simply to impose a penalty on the contractor.
- J. Must** – The term "must" or "shall" is used throughout this document to indicate mandatory requirements. It means that the Offeror will provide the goods and/or services specified in the RFP.
- K. Notice** – The term “Notice” or the requirement to notify means all Notices, demands, instructions, claims, approvals, and disapprovals required to obtain compliance with the contract requirements. Any Notice by either party to the contract shall be sufficiently given if delivered to the last known business address of the person, firm or corporation constituting the party to the contract, or to his, their or its authorized agent, representative or officer, by certified or registered mail, FedEx, or UPS, to the individual or firm, or to an officer of the Contractor for whom it is intended.
- L. O.E.M. / OEM** – Original Equipment Manufacturer.
- M. Offeror** – means any person submitting a response to an RFP.
- N. Performance Bond** – A contract of guarantee executed in the full sum of the contract amount subsequent to award by a successful Offeror to protect the government from loss due to his/her inability to complete the contract in accordance with its terms and conditions.
- O. Professional Services** – Work performed by an independent contractor within the scope of the practice of accounting, actuarial services, architecture, land surveying, landscape architecture, law, dentistry, medicine, optometry, pharmacy or professional engineering.
- P. Project Manager** – means the FW employee assigned to this Project for purposes of oversight of the project. The Project Manager is responsible for all aspects of the contract (excluding contract modifications) after contract award, including but not limited to approving design changes, and authorizing payment for completed work, etc.
- Q. Proposal** – means the response by an Offeror to a Request for Proposals issued by a procurement agency to obtain goods or labor. The response may include but is not limited to an Offeror's price and terms for the proposed contract, a description of technical expertise, work experience, and other information requested in the solicitation.
- R. RFP** – means Request for Proposals which means any document, whether attached or incorporated by reference, used for soliciting proposals from Offerors under any method allowed under current Virginia Procurement regulations.
- S. Scope of Work** - The term “Scope of Work” refers to the written technical description of services to be provided by the successful offeror to be applied to the Work and certain administrative details applicable thereto.
- T. Shall** – Has the same meaning as the word must.

1.5 Frequently Asked Questions

1. What prompted the search?

In keeping with generally accepted fiduciary standards of practice, FW has issued this RFP to confirm and/or ensure that its investment consulting resources are appropriate and that they meet the needs of FW.

2. Who is the incumbent investment consultant?

Alex. Brown, a Division of Raymond James Financial, currently provides investment consulting services to FW on a non-discretionary basis.

3. Will the incumbent consultant be invited to submit a proposal?

Yes, the incumbent will be invited to submit a proposal.

4. What is the expected length of the services contract?

Contract term shall be five years beginning with the date of contract execution and expiring on December 31, 2023. This contract may be renewed for up to five (5) additional one-year periods at the expiration of the original term.

5. What issues will the consultant be expected to address? Are there any pressing issues?

There are no current plans to change FW's investment policy, but FW is open to receiving recommendations from Offerors.

6. What is the Board's schedule with respect to meetings that the investment consultant would be expected to attend?

The Consultant is expected to attend a minimum of four Committee meetings per year. Committee meetings are held in Fairfax, VA.

7. What additional background information will FW make available to firms to assist them in preparing a proposal?

Offerors that are selected as finalists for additional due diligence may be provided additional background information at that time.

END SECTION 1

SECTION 2

2 SCOPE OF WORK

The OCIO shall provide comprehensive OCIO services to FW, which shall include advising Fairfax on investment policy matters (e.g. asset allocation policy) and exercising discretion in implementing the investment policies approved by Fairfax and managing the day-to-day administration of the investment function. The OCIO shall report to the Committee or the Board, but will functionally work closely with FW staff (“Staff”). The OCIO shall serve in a fiduciary capacity and shall acknowledge in writing its fiduciary status, without qualification. In all cases, the OCIO and its representatives shall offer advice that is solely in the interest of the members and beneficiaries of the Plan. Specific services to be provided include, but are not limited to, those listed below.

2.1 Investment Policy, Asset Allocation, and Risk

- (a) Conduct a comprehensive study, typically referred to as an asset allocation study (the “Study”) at the outset of the engagement, and at least every three years thereafter, which shall include, but is not limited to, recommending methodologies, assumptions, asset classes for consideration, and alternative asset allocations.
- (b) Upon engagement, and, at least annually thereafter, conduct a review and analysis of FW’s investment policies, recommending changes, if appropriate.
- (c) Provide advice and recommendations on various other investment policy issues (e.g. whether to hedge currency exposure in foreign equities).
- (d) Monitor changes in capital markets, economic conditions, and other relevant factors on an ongoing basis to assess their impact on the Fund, and advise the Committee accordingly.

2.2 Investment Manager Search, Selection, and Review

The OCIO shall exercise discretion with regards to manager selection, including but not limited to:

- (a) Determining the investment manager structure for the Fund, and the associated manager mandates.
- (b) For public/private market asset classes, conducting investment manager/partner searches and hire or terminate managers/partners in accordance with the Investment Policy Statement, other applicable policies of the Fund, and generally accepted industry standards and practices.
- (c) Conducting investment and operational due diligence on prospective investment managers/partners.
- (d) Developing a pacing schedule(s) for private markets.
- (e) Conducting periodic on-site due diligence visits of FW’s investment managers and investment partners.
- (f) Negotiating investment management and partnership agreements.

2.3 Investment Implementation and Operations

The OCIO shall exercise discretion in carrying out the day-to-day operational investment activities of the Fund including, but not limited to:

- (a) Managing overall portfolio risk, including active risk (“tracking error”), as may be specified in FW’s investment policies; and counterparty risks associated with any derivative positions.
- (b) Rebalancing and portfolio transitions.

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- (c) Fee payments and wire transfers to investment managers.
- (d) Tactical portfolio adjustments around the strategic asset allocation, as appropriate.
- (e) Implementing, as appropriate, currency management programs, derivatives for hedging or other appropriate purposes, securities lending program, and proxy voting policies.
- (f) All other day-to-day operational investment activities necessary to prudently administer the Fund.

2.4 Performance Monitoring and Reporting

- (a) Monitor the performance of the total fund, each asset class, and investment manager relative to appropriate benchmarks.
- (b) Provide ongoing monitoring and oversight of investment managers and partners to ensure compliance with laws and regulations, investment policies, and manager mandates, and assess organizational stability.
- (c) Monitor and evaluate investment costs including, but not limited to, manager trading and transaction costs.
- (d) Prepare and present performance reports to the Committee, including monthly flash reports and regular quarterly reports/presentations.
- (e) Prepare a quarterly (or at least annual) certification of compliance to the Investment Policy.

2.5 Client Service and Education

- (a) Attend a minimum of four Committee meetings annually (in person), one each quarter.
- (b) Attend telephone meetings, as requested by the Committee or Staff.
- (c) Coordinate effectively with the Committee, Staff, and custodian bank.
- (d) Respond to inquiries by the Committee and Staff between meetings in a timely manner.
- (e) Report significant changes in the OCIO's ownership, organizational structure, personnel, and other areas that may be relevant to FW on a timely basis.
- (f) Obtain information from investment managers and partners in order for the Fund to comply with regulatory and/or other requirements.
- (g) Provide education to the Committee and Staff, as required.
- (h) Provide the Committee or Staff access to research, including proprietary research.

2.6 Other Services

- (a) Propose appropriate custodial arrangements and assist with searches for custodians and other vendors, as required.
- (b) Provide other services typically provided in OCIO relationships for institutions of a similar size and complexity to FW.
- (c) Carry out any other duties or provide any other services that may be specified in, or required by, FW's Investment Policy Statement.

END SECTION 2

SECTION 3

3 SUBMISSION OF PROPOSALS AND METHOD OF EVALUATION

3.1 General

The following general information shall be provided. Offerors shall follow instructions carefully to ensure that proposals are properly prepared.

1. The attached Transmittal Form (**Appendix A**) must accompany the proposal. The purpose of this form is to formally submit the proposal and bind the Offeror to the terms, conditions and specifications contained in the solicitation. The Form must be signed by individual who is authorized to bind the Offeror's firm to all items in the proposal including products, services, etc., and prices, contained in the proposal. A transmittal letter may be substituted for the attached form. If used, the transmittal letter must include an affirmative statement that binds the firm to the terms, conditions and specifications contained in the RFP; and also state that the person signing the transmittal letter is authorized to bind his/her firm. The letter must also provide all of the information contained on the Transmittal Form.
2. Each Offeror must furnish all information required by the RFP. The person signing the proposal must initial erasures or other changes. Proposals signed by an agent of the corporation must be accompanied by evidence of his or her authority to bind the corporation to the terms and conditions of this solicitation.
3. FW reserves the right to conduct discussions with qualified Offerors in any manner necessary to serve the best interest of FW.
4. On-line RFP Questionnaire: Offerors must complete the RFP Questionnaire on-line by following the link (to be provided by the Procurement Contact as noted in Section 3.2). Specific instructions for completing the on-line RFP Questionnaire are provided in the on-line Questionnaire itself. Due to the restrictive nature of some of the questions (i.e. questions requiring responses in a specific format), Offerors will be provided an opportunity to provide clarification and/or qualifiers at the conclusion of the on-line RFP Questionnaire in the section entitled "Clarifications and Qualifiers". Offerors must provide any clarifications/qualifiers in the form of brief statements, specifying the question number to which each statement relates. FW may ignore any information provided that does not directly clarify or qualify a response. As noted in Section 3.8, printed and electronic copies are required for all components identified in Section 3.2. Offerors will be provided an opportunity to download a PDF of their responses to the RFP Questionnaire at the end of the survey (i.e. click "Download PDF Version" on the "Review your Responses" page). **Please first submit your responses to the questionnaire online, and then download the PDF of your responses via the survey tool to include in your submission to the Procurement Contact.**

3.2 Components of Proposal

Proposals shall include the following components:

1. Transmittal Form.
2. Company History: The Offeror will briefly describe its company history, sales history, and history of performing work as described herein.
3. Written Narrative: Each Offeror must provide a written narrative that discusses the Offeror's experience in providing the services described in Section 2. Include any special qualifications, experience, awards, etc. Each offeror shall demonstrate how they meet the requirements of the Minimum Requirements Section of this RFP.
4. On-line RFP Questionnaire responses (to be submitted initially via a survey link). A separate attachment (**Attachment A**) contains a copy of the RFP Questionnaire solely as a reference to facilitate completion of the on-line version.
5. A completed Excel File (**Attachment B**).
6. References (**Appendix B**).
7. The following exhibits, if available:
 - (a) An organization chart of the firm, parent, and all subsidiary and affiliated companies. (Identify it as Exhibit 1.)
 - (b) An Investment Policy Statement prepared by your firm for a public DB client similar to FW, and which you believe reflects best practice. (Identify it as Exhibit 2.)
 - (c) One recent asset allocation study (as defined in the Glossary of Terms in the RFP Questionnaire) your firm has completed for clients. (Identify it as Exhibit 3.)
 - (d) An investment manager operational due diligence report provided to a client. (Identify it as Exhibit 4.)
 - (e) Your firm's code of ethics policy and/or conflicts of interest policy and any procedures for ensuring compliance. (Identify it as Exhibit 5.)
 - (f) A recent quarterly investment performance report provided to a client. (Identify it as Exhibit 6.)
 - (g) A standard contract used by your firm for OCIO arrangements. (Identify it as Exhibit 7.)
8. Cost Proposal. The Cost Proposal shall include the cost of providing the scope of services (**Appendix C**).

Note: Interested firms must e-mail the Procurement Contact to request the Attachments and survey link referenced in 4 and 5 above.

3.3 Proprietary Information

1. Except as provided herein or as otherwise set forth in §2.2-4342 of the Virginia Public Procurement Act (Va. Code Ann. §2.2-4300 *et seq.*, the “Act”), all proceedings, records, contracts and other public records relating to procurement transactions shall be open to inspection in accordance with the Virginia Freedom of Information Act (Va. Code Ann. §2.2-3700 *et seq.*, the “Virginia FOIA”).
2. Offeror or Contractor shall have the right to identify data or other materials submitted in connection with this procurement as trade secrets or proprietary information, which shall not be subject to inspection pursuant to either §2.2-4342 of the Act or the Virginia FOIA, by submitting to FW prior to or at the time of submission of its proposal a separate, written notice on its letterhead stationery setting forth the following: (i) a statement indicating that the Offeror, or Contractor wishes to invoke the protections of this section; (ii) an identification of the data or other materials for which protection is sought; and (iii) a statement with regard to why protection is necessary.

3.4 Questions and Communications

1. All contact between prospective Offerors and FW with respect to this solicitation will be formally held at scheduled meetings or in writing through the Issuing Office. Questions and comments regarding the meaning or interpretation of any aspect of this solicitation must be submitted in writing to the Procurement Contact identified on the cover page to this solicitation and must be received by the Procurement Contact on or before the deadline for submitting questions that is specified on such cover page. Only written questions will be accepted. Questions and/or comments which are submitted after the deadline set forth on the cover page to this solicitation will not be answered.
2. FW shall respond to all timely questions and comments that are properly submitted hereunder and are deemed to address a matter that is relevant and substantive in nature within a reasonable period of time, in the form of a written Addendum that will be transmitted to all prospective Offerors at the addresses furnished to FW for such purpose. Oral communications between FW and any Offeror regarding the interpretation or meaning of any aspect of this RFP are not authorized and may not be relied upon for any purpose.

3.5 Addenda to the RFP

1. FW reserves the right to amend this solicitation at any time prior to the deadline for submitting Bids or Proposals. If it becomes necessary to revise any part of this RFP, notice of the revision will be given in the form of an Addendum that will be provided to all prospective Offerors who are on record with FW as having received this solicitation. If, in the opinion of FW, the deadline for the submission of proposals does not provide sufficient time for consideration of any Addendum, then such deadline may be extended at the discretion of FW.
2. It shall be the responsibility of each Offeror to contact the Purchasing Contact identified on the cover page to this solicitation prior to submission of a proposal hereunder in order to determine whether any Addenda have been issued in connection with this procurement. Notwithstanding any provision to the contrary, the failure of any Offeror to receive any Addenda shall neither constitute grounds for withdrawal of its proposal nor relieve such Offeror from any responsibility for incorporating the provisions of any Addenda in its proposal.

3.6 Duration of Proposals

Proposals shall be valid for a minimum of 120 days following the deadline for submitting offers. If an award is not made during that period, all offers shall be automatically extended for another 120 days. Offers will be automatically renewed until such time as either an award is made or proper notice is given to FW of Offeror's intent to withdraw its offer. Offers may only be withdrawn by submitting Notice at least 15 days before the expiration of the then current 120-day period.

3.7 Proposal Organization

1. Technical Proposal (Volume I): All proposal elements noted in Items 1-7 in Section 3.2. shall be included in the Technical Proposal).
2. Cost Proposal (Volume II): The cost of providing the scope of services contained in Section 2.0. (i.e. Item 8 in Section 3.2).

3.8 Instructions for Submitting Proposals

1. The deadline for submitting Proposals is shown on the cover sheet. Offerors mailing proposals should allow sufficient mail delivery time to ensure timely receipt by the Purchasing Department. Proposals will be opened in accordance with the provisions of the Virginia Public Procurement Act. There will be no public proposal opening. The list of prospective Offerors shall be available for public inspection only after Contract award or upon cancellation of the solicitation.
2. Submit one original and five printed copies each of Volumes I and II in two separate, sealed volumes. Offerors shall ensure that technical and price information is not commingled. The set of original signed documents must be uniquely identified on the cover of each volume. The Cost Proposal (Volume II) is not to be included in the Technical Proposal (Volume I). In addition, offerors shall submit two electronic (CD) versions of their technical and cost proposals.
3. All proposals must be submitted to FW in a sealed package(s). No other form of submission will be accepted by FW (i.e., E-mail, Facsimile, etc.). Proposal packages must be identified on the outside as follows:

<i>From:</i> _____	_____
<i>Name of Offeror</i>	<i>Due Date</i>
_____	_____
<i>Street</i>	<i>RFP No.</i>
_____	_____
<i>City, State, Zip Code</i>	<i>RFP Title</i>

4. In addition to the above submission requirements, Offerors must submit electronically Items 1-3 and 5-8 identified under Section 3.2 to Cortex at jtam@cortexconsulting.com.

3.9 Contractor Identification

All Offerors must include the following in their transmittal letters:

- A. Individual contractors must provide their social security numbers, and
- B. Proprietorships, partnerships, and corporations must provide their federal employer identification numbers and
- C. Offerors Virginia State Corporation Commission license number

3.10 Late Proposals

Proposals or unsolicited amendments to proposals arriving after the closing date and time will not be considered. Proposals received after the proposal submission deadline will be returned to the Offeror unopened providing that sufficient proposal identification information is shown on the outside of the proposal envelope.

3.11 Evaluation Process

Evaluation Committee: FW will establish an Evaluation Committee (the “Committee”) to review and rank each proposal. The Committee will be composed of the Purchasing Contact identified on the cover page and other individuals designated by FW including the FW consultant, Cortex Applied Research, Inc. (Cortex).

- A. Qualifying and Evaluating Proposals: Each proposal will first be reviewed for compliance with the requirements of this RFP. The Offeror assumes responsibility for addressing all necessary technical and operational issues in order to meet the objectives of the RFP. Each proposal will be evaluated according to the criteria listed below:
 - 1. Relevant client experience,
 - 2. Asset allocation experience,
 - 3. Risk management capabilities,
 - 4. Manager research capabilities with both public and private markets,
 - 5. Qualifications of the project team,
 - 6. Other staff resources
 - 7. Independence and ethics
 - 8. Compliance with Contractual Terms
 - 9. References, and
 - 10. Fees and other costs

3.12 Acceptable and Unacceptable Proposals and Rejection of Offers

FW reserves the right to reject any or all proposals received. **All proposals are assumed to meet the minimum and mandatory qualifications outlined in the scope of work.** Proposals must meet or exceed the mandatory requirements of the Scope of Work. If an Offeror does not meet a mandatory requirement it will be rejected. The Evaluation Committee may determine that an Offeror is "not responsible," i.e., does not have the capabilities in all respects to perform the work

required. The Committee may determine that a proposal meets the Scope of Work but does not raise itself to the competitive level of some or all of the other offers. In such instances, the Committee shall issue a determination that any and all such proposals are “not reasonably susceptible of being selected.” Offers deemed by the Committee to be not responsive, not responsible, or not reasonably susceptible of being selected will be excluded from further consideration and the Offeror so notified. Upon notification that an Offeror is no longer being considered, the Offeror may request that the cost volume be returned. Requests must be received within 10 calendar days of the date the notice was issued by FW. If the Offeror does not request that the Cost proposal be returned within 10 days of notice, the Cost proposals will be destroyed. The Technical proposal will be retained in the bid file.

3.13 Oral Presentations

Finalists may be required to make individual presentations to the Committee as part of the technical evaluation process. If so notified by the FW, the Offeror must provide a presentation within two calendar weeks of notification or as may be arranged by FW. Failure to provide a satisfactory presentation will be grounds for a declaration that the offer is non-responsive. Presentations shall be conducted only at FW.

3.14 Final Ranking and Selection

After each proposal has been evaluated, they will be ranked. FW shall negotiate with up to two of the top ranked firms. Upon completion of negotiations, the Committee will make a recommendation to the Evaluation Committee Chair to award the contract to the Offeror whose proposal is determined to be the most advantageous to FW.

3.15 Negotiation

After selection, but prior to contract award, the Committee reserves the unilateral right to negotiate any aspect of the proposal or proposed contract in any manner that best serves the needs of FW and is within the scope of the solicitation. FW also reserves the unilateral right to accept the best proposal as submitted without negotiation, and therefore Offerors must not assume that they will be given an opportunity to change any part of their proposal, including the Price Proposal.

END SECTION 3

SECTION 4

4 STANDARD TERMS AND CONDITIONS

The Agreement for Service (“Contract” or “Agreement”) with the successful offeror will contain the following Terms and Conditions. Offerors taking exception to these terms and conditions or intending to propose additional or alternative language must (a) identify with specificity the FW Terms and Conditions to which they take exception or seek to amend or replace; and (b) include any additional or different language with their proposal. Failure to both identify with specificity those terms and conditions offeror takes exception to or seeks to amend or replace as well as to provide offeror’s additional or alternate Contract terms may result in rejection of the proposal. **While FW may accept additional or different language if so provided with the proposal, the Terms and Conditions marked with an asterisk (*) are mandatory and nonnegotiable.**

4.1 Authorization to Do Business in Virginia *

Each Offeror that is organized or authorized to transact business in the Commonwealth of Virginia pursuant to Title 13.1 or Title 50 of the Virginia Code shall include with its bid the identification number issued to it by the Virginia State Corporation Commission. Any Offeror that is not authorized to transact business in Virginia as a foreign entity under Title 13.1 or title 50 of the Virginia Code or as otherwise required by law shall include in its bid a statement describing why the Offeror is not required to be so authorized.

4.2 Antitrust

By entering into a contract, the contractor conveys, sells, assigns, and transfers to FW all rights, title and interest in and to all causes of action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by FW.

4.3 Annual Economic Price Adjustment

A. In the case of annually renewable contracts, the Contractors may submit a request for contract price increases once annually, not to exceed 3% for each renewal year. Requests for price increase must be submitted within 90 days of publication by the Bureau of Labor Statistics. Price adjustments requests for future years may or may not be approved by Fairfax Water depending on past performance of the contractor and the then current market conditions.

4.4 Arrearage

By submitting an offer in response to this solicitation, the individual or firm submitting the offer shall be deemed to represent that it is not in arrears in the payment of any obligation due and owing FW, the Commonwealth of Virginia, or any public organization within Virginia. Said representation shall include the payment of taxes and employee benefits. Offeror further agrees that it shall make diligent effort to avoid becoming in arrears during the term of the contract.

4.5 Assignment of Interest *

The Contractor shall not assign any interest in any resulting Contract and shall not transfer any interest in the same without prior written consent of FW, which FW shall be under no obligation to grant.

4.6 Availability of Funds

It is understood and agreed between the parties herein that FW shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.

4.7 Cancellation

FW may cancel this solicitation at any time and for any reason prior to award.

4.8 Compliance with Laws

The Offeror hereby represents and warrants that:

- A. It is qualified to do business in the Commonwealth of Virginia and that it will take such action as, from time to time hereafter, may be necessary to remain so qualified;
- B. It is not in arrears with respect to the payment of any monies due and owing FW, the Commonwealth of Virginia, or any department or unit thereof, including but not limited to the payment of taxes and employee benefits, and that it shall not become so in arrears during the term of this Contract;
- C. It shall comply with all federal, State and local laws, regulations, and ordinances applicable to its activities and obligations under this Contract; and
- D. It shall obtain at its expense, all licenses, permits, insurance, and governmental approval, if any, necessary to the performance of its obligations under this Contract.

4.9 Contract Changes / Change Orders

- A. No verbal agreement or conversation with any officer, agent or employee of FW either before or after the execution of any Contract resulting from this solicitation or follow-on negotiations, shall affect or modify any of the terms, conditions, specifications, or obligations contained in the solicitation, or resulting Contract. No alterations to the terms and conditions of the Contract shall be valid or binding upon FW unless made in writing and signed by the purchasing / designee contact identified on the cover page. Contract changes shall be in writing, and shall be on official FW Purchasing Department letterhead. In any event and in all circumstances, the Contractor shall be solely liable and responsible for any Contract changes, deviations, etc., made without first receiving written authorization to deviate from the Contract.

B. Changes can be made to the contract in any of the following ways:

1. The parties may agree in writing to modify the scope of the contract. An increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract.
2. FW may order changes within the general scope of the contract at any time by Notice to the Contractor. The Contractor shall comply with the notice upon receipt. The Contractor shall be compensated for any additional costs incurred as the result of such order and shall give FW a credit for any savings. Said compensation shall be determined by one of the following methods:
 - a. By mutual agreement between the parties in writing; or
 - b. By agreeing upon a unit price or using a unit price set forth in the contract, if the work to be done can be expressed in units, and the Contractor accounts for the number of units of work performed, subject to FW's right to audit the Contractor's records and/or to determine the correct number of units independently; or
 - c. By ordering the Contractor to proceed with the work and keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The Contractor shall present FW with all vouchers and records of expenses incurred and savings realized. FW shall have the right to audit the records of the Contractor, as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by Notice to the Purchasing Department. Neither the existence of a claim nor a dispute resolution process, litigation or any other provision of this contract shall excuse the Contractor from promptly complying with the changes ordered by FW or with the performance of the contract generally.

4.10 Debarment Status

By submitting their proposals, Offerors certify that they are not currently debarred by the Commonwealth of Virginia from submitting offers or proposals on contracts for the type of goods and/or services covered by this solicitation, nor are they an agent of any person or entity that is currently so debarred.

4.11 Drug-free workplace to be maintained by contractor *

During the performance of this contract, the contractor agrees to (i) provide a drug-free workplace for the contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

4.12 Employment Discrimination by Contractor Prohibited; Required Contract Provisions *

The following provision is required to be in every contract of more than \$10,000 (Virginia Public Procurement Act, § 2.2-4311)

- A. During the performance of any ensuing contract, the Contractor agrees as follows:
1. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
 2. The contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer.
 3. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.
- B. The contractor will include the provisions of the foregoing paragraphs 1, 2 and 3 in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

4.13 Ethics in Public Contracting *

Offeror hereby certifies that it has familiarized itself with Article 4 of Title 11 of the Virginia Public Procurement Act, Section 11-72 through 80, Virginia Code Annotated, and that all amounts received by it, pursuant to a contract resulting from this solicitation, are proper and in accordance therewith.

4.14 Examination of Records

The Contractor agrees that in any resulting contract, either FW or its duly authorized representative shall have access to and the right to examine and copy any directly pertinent books, documents, papers, and records of the Contractor involving transactions related to any resulting contract. The Contractor further agrees to cooperate in an independent audit of claims processed and paid. This obligation shall expire five years after the final payment for the final service performed as a result of any and all contract(s) awarded pursuant to this solicitation, or until audited by FW, whichever is sooner. Contractor will provide reasonable access to any and all necessary documents and upon demand provide copies of documents if so required by FW or its representative(s). FW will reimburse the Contractor for any reasonable expenses it incurs as a result of such a request.

4.15 Familiarity with Scope of Work

Each Offeror shall bear responsibility for thoroughly examining this solicitation in its entirety. In the event that an Offeror has any questions or comments regarding the proper meaning or intent of any aspect of this solicitation, then such Offeror shall submit all such questions and comments in writing to the Procurement Contact identified on the cover sheet of this solicitation in accordance with the provisions of Paragraph 3.4 (Questions and Communications) hereof.

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The submission by an Offeror of a Proposal in response to this solicitation shall be deemed to constitute a representation on the part of such Offeror that it has thoroughly examined this solicitation and has submitted any and all questions and comments it may have regarding the meaning or interpretation of this solicitation to FW in the manner prescribed herein.

4.16 Formation of Contract with Successful Offeror

- A. Any contract entered into as a result of this RFP shall be by and between the Offeror as Contractor and FW. It shall include the following items, which are listed in order of precedence:
 - 1. The fully executed contract between the parties, or FW Purchase Order,
 - 2. The RFP and any Addenda to the RFP,
 - 3. The Offeror's response to the RFP (including any drawings and submittals), and
 - 4. All correspondence between the parties regarding this RFP.
- B. Anything called for by one of the contract documents and not called for by the others shall be of like effect as if required or called for by all, except that a provision clearly designed to negate or alter a provision contained in one or more of the other contract documents shall have the intended effect.
- C. By submitting an offer in response to this solicitation, the Offeror agrees to all Terms, Conditions and to the Scope of Work section contained herein, unless and except as otherwise noted as an exception in the Offeror's proposal. Any terms and conditions that the Offeror proposes to use must be submitted as part of the proposal. Terms and conditions submitted by an Offeror after the solicitation closing date shall not be accepted and will not be considered for incorporation into the terms of the awarded contract.
- D. All time limits stated in the contract documents, including but not limited to the time for completion of the work, are of the essence.

4.17 Governing Law; Venue; Waiver of Jury Trial *

Notwithstanding any provision to the contrary, this solicitation and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia. Any dispute arising hereunder which is not otherwise resolved by the parties shall be resolved by a court of competent jurisdiction in the Commonwealth of Virginia. The Contractor and FW hereby waive any right such party may have to a trial by jury in connection with any such litigation.

4.18 Incorporation by Reference

- A. This solicitation is issued in accordance with, and controlled by, the Virginia Public Procurement Act (VPPA), which is incorporated into and made part of the solicitation. By submitting a proposal in response to this solicitation, all Offerors acknowledge the VPPA and agree to be bound by it. The VPPA may be accessed via the Virginia Department of General Services, Department of Purchases and Supply Website: (<http://www.eva.virginia.gov/buyers/pages/vppa.htm>).
- B. The terms, conditions and specifications contained herein including any attachments or addenda are incorporated into any contract issued as a result of this solicitation.

4.19 Indemnification and Responsibility for Claims and Liability

With respect to any contract that results from this solicitation, Offeror is bound by the following:

- A. The Contractor shall indemnify, save harmless and defend FW, or any employee of FW, against liability for any suits, actions, or claims of any character whatsoever arising from or relating to the performance of the Contractor or its subcontractors under this contract.
- B. FW has no obligation to provide legal counsel or defense, or pay attorney's fees to the Contractor or its subcontractors in the event that a suit or action of any character is brought by any person not party to the contract, against the Contractor or its subcontractors as a result of or relating to the Contractor's obligations under this contract.
- C. FW has no obligation for the payment of any judgments or the settlement of any claims against the Contractor or its subcontractors as a result of or relating to the Contractor's obligations under this contract.
- D. The Contractor shall immediately notify FW of any claim or suit made or filed against the Contractor or its subcontractors regarding any matter resulting from or related to the Contractor's obligations under the contract. If such a claim or suit is brought, the Contractor will cooperate, assist, and consult with FW in the defense or investigation of any suit or action made or filed against FW as a result of or relating to the Contractor's performance under this contract.
- E. The Contractor shall pay all royalties and license fees necessary for performance of the contract. The Contractor shall defend all suits or claims for infringement of any patent rights or other proprietary rights arising from or related to performance of the resulting contract and shall save FW harmless from any and all loss, including Attorneys' fees arising out of any such claim.

4.20 Insurance

- A. In addition to the mandatory insurance requirements listed in this Section and, at the request of FW, any Offeror may be required to provide a list of all insurance claims made against it within the past 36 months. FW reserves the right to reject any bid if in FW's opinion the amount or number of claims is deemed to be excessive. An Offeror's failure to comply with this requirement may result in rejection of its bid. If no claims have been made, then the Offeror shall so state in its bid. Fairfax Water may require such information from the Contractor as it deems necessary to assess the Contractor's financial ability to pay any deductibles with respect to the insurance policies required hereunder.
- B. Before commencing the work, the Contractor shall procure and maintain at its own expense, minimum insurance in forms and with insurance companies acceptable to FW to cover loss or liability arising out of the Work. All insurance policies must be underwritten by insurers authorized to conduct business within the Commonwealth of Virginia and must have a Best's rating of at least A- and a financial size of class VIII or better in the latest edition of Best's Insurance Reports.
- C. The Contractor shall immediately notify FW of any claim or suit made or filed against the Contractor or its subcontractors regarding any matter resulting from or related to the Contractor's obligations under the contract. If such a claim or suit is brought, the Contractor will cooperate,

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assist, and consult with FW in the defense or investigation of any suit or action made or filed against FW as a result of or relating to the Contractor's performance under this contract.

- D. With the exception of Workers' Compensation and Employers' Liability Insurance, all additional insurance policies specified herein shall name FW as an additional insured with regard to work performed under any subsequent Contract
- E. The Contractor will provide FW with copies of certificates of insurance coverage and proof of payment of all premiums. Each certificate of insurance must include: (a) an endorsement from the insurer that certifies that the Contractor maintains the referenced policy in full force and effect; (b) where applicable, a statement indicating that FW is included as an additional insured; and (c) a provision requiring that not less than 30 days written notice will be given to FW before any policy or coverage is canceled or modified in any material respect. Without limiting the requirements set forth above, the insurance coverages will include a minimum of:
1. Workers' Compensation and Employers' Liability Insurance: Statutory requirements and benefits as required by the Commonwealth of Virginia; and
 2. Required Commercial General Liability Insurance: This insurance must be written on an "occurrence" basis and shall be endorsed to include FW as an additional insured and shall provide at a minimum the following:

◆	General Aggregate Limit (Other than Products-Completed Operations)	\$5,000,000
◆	Products-Completed Operations Aggregate Limit	\$ 500,000
◆	Personal & Advertising Injury Limit	\$ 500,000
◆	Each Occurrence Limit	\$ 1,000,000

- F. Business Automobile Liability Insurance: This insurance coverage must extend to any motor vehicles or other motorized equipment regardless of whether it is owned, hired, or non-owned and must cover Bodily Injury and Property Damage with a combined single limit of at least \$1,000,000 each accident. This insurance must be written in comprehensive form and must protect the Contractor and FW against claims for injuries to employees of the public and/or damage to the property of others arising from the Contractor's use of motor vehicles or other equipment and must cover both on-site and off-site operations.
- G. Nothing contained herein will be deemed to operate as a waiver of FW's sovereign immunity under the law.

4.21 Partial Invalidity

Neither any payment for, nor acceptance of, the whole or any part of the services by FW, nor any extension of time, shall operate as a waiver of any provision of any Contract resulting from this RFP, nor of any power herein reserved to FW, or any right to damages herein provided, nor shall any waiver of any breach of any Contract be held to be a waiver of any other or subsequent breach. Failure of FW to require compliance with any term or condition of any Contract shall not be deemed a waiver of such term or condition or a waiver of the subsequent enforcement thereof.

4.22 Payment

- A. Invoices: All invoices are to be sent directly to FW Accounts Payable department by mail, fax, or E-mail. Invoices shall include the FW Purchase Order / Contract number and the contractor's FEIN. Invoices are not to be sent to the contract Project Manager, or other departmental reps. Failure to comply may result in late payments for which FW will not be liable.
- B. Terms: All payments will be Net 30 from the date of receipt of a valid invoice at the FW Finance Department. Payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.
- C. Invoices: Invoices for items ordered, delivered and accepted shall be submitted by the Contractor directly to the payment address shown on the purchase order/contract. Invoices shall show the FW Purchase Order or contract number and either the social security (for individual Contractors) number or the federal employer identification number (for proprietorships, partnerships, and corporations) and are subject to review and approval by the FW Project Manager.
- D. Partial Payments: Requests for partial payments or advanced payments must be submitted as part of the Price Offer along with a justification. FW reserves the right to accept, reject or negotiate requests for partial payments. If the request is rejected, the Offeror must waive the requirement in order to remain in consideration.
- E. Unreasonable Charges: Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, final payment is contingent on a determination of reasonableness with respect to all invoiced charges. Charges that appear to be unreasonable will be researched and challenged, and that portion of the invoice held in abeyance until a settlement can be reached. Upon determining that invoiced charges are not reasonable, FW shall promptly notify the Contractor, in writing, as to those charges that it considers unreasonable and the basis for the determination.

4.23 Payment Clauses Required in All Contracts *

Section § 2.2-4352 of the Virginia Public Procurement Act requires the following:

- A. That any contract awarded by FW include the following clauses:
 - 1. The Contractor shall take one of the two following actions within seven days after receipt of amounts paid to the contractor by FW for work performed by any subcontractor(s) under the contract:
 - a. The Contractor shall pay its subcontractor(s) for the proportionate share of the total payment received from FW attributable to the work performed by the subcontractor under that contract; or
 - b. Notify FW and any subcontractor(s), in writing, of his intention to withhold all or a part of the subcontractor's payment with the reason for nonpayment.
 - 2. Offerors shall include in their offer submissions either: (i) if an individual contractor, their social security numbers; and (ii) proprietorships, partnerships, and corporations to provide their federal employer identification numbers.

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3. The contractor shall pay interest to the subcontractor(s) on all amounts owed by the Contractor that remain unpaid after seven days following receipt by the Contractor of payment from FW for work performed by the subcontractor under the contract, except for amounts withheld as allowed in subdivision 1.
 4. Unless otherwise provided under the terms of this contract, interest shall accrue at the rate of one percent per month.
- B. The contractor shall include in each of its subcontracts a provision requiring each subcontractor to include or otherwise be subject to the same payment and interest requirements with respect to each lower-tier subcontractor.
- C. A contractor's obligation to pay an interest charge to a subcontractor pursuant to the payment clause in this section shall not be construed to be an obligation of FW. A contract modification shall not be made for the purpose of providing reimbursement for the interest charge. A cost reimbursement claim shall not include any amount for reimbursement for the interest charge.

4.24 Precedence of Terms

By submitting a proposal in response to this solicitation, the Offeror agrees that the terms and conditions contained in this solicitation shall control any contract arising from this solicitation. Any proposed terms and conditions, including any for a contract that the Offeror proposes to use, shall be submitted as part of the Offeror's proposal. Terms and conditions submitted by an Offeror after the deadline for submitting proposals will be rejected and the Offeror will be held to the terms and conditions contained herein. Contract award is contingent on the Offeror and FW agreeing on mutually acceptable terms and conditions. Failure to do so will automatically disqualify the Offeror from contract award. To the extent that a conflict arises or is found to exist between the Offeror's proposal and this solicitation, including any addenda thereto, the terms, conditions and specifications contained in this solicitation and any addenda thereto shall in all cases prevail.

4.25 Price Firm Period

Proposal Prices: Pricing shall be firm and fixed as originally offered and accepted for the first 12 months of the contract.

4.26 Rider Clause

With the exception of contracts for Professional Engineering Services and subject to the mutual agreement between the parties, any contract awarded on the basis of this solicitation may be used by any public entity (to include jurisdictions comprising the Metropolitan Washington Council of Governments), to enter into a contract for the services described and defined herein. For single purchases, the contract may be used for up to 12 months from the actual date of contract award. For multi-year contracts, the contract may be used throughout the effective period of the contract. Contracts awarded as a result of this solicitation will be subject to these terms and conditions, and/or such terms and conditions as may be required by the controlling body for the public agency using the contract. Pricing shall be as offered by the successful Offeror and subsequently accepted by FW.

4.27 Tax Exemption

FW is exempt from Federal Excise Taxes, Virginia State Sales and Use Taxes, and the District of Columbia Sales Taxes and Transportation Taxes. FW's tax exempt number is 54-6025290.

4.28 Termination of Contract

- A. For Cause. In the event that the Contractor: (1) fails to deliver any Commodity or Service in accordance with the time period established therefore in the Contract; or (2) fails to furnish any Commodity or Service which conforms in all respects to the requirements of the Contract; then FW, without prejudice to any other rights or remedies it may have at law or in equity (including its right to seek damages from the Contractor), shall have the right to terminate the Contract and any outstanding Purchase Orders by issuing a written notice of termination to the Contractor. Such notice of termination shall describe in reasonable detail the grounds for the termination and shall take effect immediately upon receipt by the Contractor.
- B. If, after issuance of a notice of termination under this Section it is determined for any reason that cause for such termination did not exist, then the rights and obligations of the parties shall be the same as if the notice of termination had been delivered under the provisions of subsection B (termination for convenience) hereof; provided, however, that the Contractor in such event shall be deemed to have received seven days prior written notice of such termination. Any compensation due the Contractor pursuant to subsection B shall be offset by the cost to FW of remedying the default by the Contractor. The Contractor shall in no event be entitled to receive any consequential damages or any anticipated profits with respect to Commodities not yet furnished to, and accepted by, FW as of the effective date of any such termination.
- C. For Convenience. FW shall have the right to terminate the Contract and/or any outstanding Purchase Orders issued hereunder at its own convenience for any reason by giving seven business days prior written notice of termination to the Contractor. In such event, the Contractor shall be paid an amount equal to the actual cost of any Commodity delivered to, and accepted by, FW and the actual cost of any equipment, goods or materials ordered by the Contractor hereunder in good faith which could not be canceled, less the salvage value thereof, provided sufficient substantiation is furnished to FW. Any subcontract entered into by the Contractor in connection with the transactions contemplated hereby shall contain a similar termination provision for the benefit of the Contractor and FW. The Contractor shall in no event be entitled to receive anticipated profits on any Commodities not yet furnished to and accepted by FW as of the effective date of any such termination.

4.29 Unit Prices Prevail

The Price Proposal shall include a complete listing of all prices (e.g., annual maintenance, labor, materials, training, etc.). Any work performed beyond the scope of the contract and within the first 12 months after contract award shall be at the prices specified in Volume II. In the event of a conflict between unit prices and extended prices, the unit price shall prevail. All proposals shall be complete and accurate as submitted.

4.30 Virginia Freedom of Information Act

Except as provided herein, all proceedings, records, contracts and other public records relating to procurement transactions shall be open to the inspection of any citizen, any interested person, firm, or corporation, in accordance with the Virginia Freedom of Information Act.

4.31 Authority to Transact Business in Virginia*

A Contractor organized as a stock or nonstock corporation, limited liability company, business trust, or limited partnership or registered as a registered limited liability partnership shall be authorized to transact business in the Commonwealth as a domestic or foreign business entity if so required by Title 13.1 or Title 50 of the Code of Virginia or as otherwise required by law. Any business entity described herein that enters into a Contract with FW pursuant to the Virginia Public Procurement Act 2.2-4300 et seq. shall not allow its existence to lapse or its certificate of authority or registration to transact business in the Commonwealth, if so required under Title 13.1 or Title 50 of the Code of Virginia, to be revoked or cancelled at any time during the term of the Contract. FW may void any Contract with a business entity if the business entity fails to remain in compliance with the provisions of this section.

4.32 Licensure

To the extent required by the Commonwealth of Virginia (see e.g. 54.1-1100 et seq. of the Code of Virginia) or FW, the Contractor shall be duly licensed to perform the services required to be delivered pursuant to this Contract.

4.33 Contractual

Disputes

A Vendor, Contractor, or Service Provider shall give written notice to the Purchasing Agent of his/her intent to file a claim for money or other relief within ten (10) calendar days of the occurrence giving rise to the claim or at the beginning of the work upon which the claim is to be based, whichever is earlier. The written claim shall be submitted to the Purchasing Agent no later than sixty (60) days after final payment. If the claim is not disposed of by agreement, the Purchasing Agent shall reduce his decision to writing and mail or otherwise forward a copy thereof to the bidder within thirty (30) days of receipt of the claim. No Vendor, Contractor, or Service Provider shall institute any legal action until all statutory requirements have been met. Each party shall bear its own costs and expenses resulting from any litigation, including attorney's fees.

4.34 Faith-Based Organizations *

FW does not discriminate against faith-based organizations.

4.35 Immigration Reform and Control Act of 1986 *

By entering this Contract, the Contractor certifies that it does not and will not during the performance of this Contract violate the provisions of the Federal Immigration Reform and Control Act of 1986, which prohibits employment of illegal aliens.

END SECTION 4

APPENDIX A TRANSMITTAL FORM

In compliance with this Request for Proposal and to all the conditions imposed therein and hereby incorporated by reference, the undersigned offers and agrees to furnish the goods and/or services described herein in accordance with the attached proposal and as may be mutually agreed upon by subsequent negotiation.

Company Name (printed)	Federal ID Number
Street (printed)	Telephone:
City, State, Zip (printed)	Facsimile:
Printed	E-mail:
Title	
	F.O.B.:
Signed	(Shipments are FOB Destination unless otherwise specified)
Dated	
<p>Pursuant to Title 13.1 or Title 50 of the Virginia Code provide the identification number issued to your firm by the Virginia State Corporation Commission (VSCC) in the space provided below, If your firm is not required to be authorized to transact business under Title 12.1 or Title 50, or any other law; provide a statement why your firm is not required to be so authorized.</p> <p>VSSC ID Number: _____</p>	

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If you do not have a VSCC identification number, explain why it is not required in the space below:

APPENDIX B

REFERENCES

OFFERORS' NAME: _____

Provide at least five references for which your firm have provided the same or similar services within the last three years for an organization of the same approximate size and scope of operation as the FW Retirement Plan. At least two references must be for clients that you have provided these services within the past calendar year. Fairfax Water reserves the right to require additional references from the Offeror, or to obtain additional references from other sources not provided by the Offeror.

1. COMPANY NAME: _____

ADDRESS: _____

CONTACT PERSON: _____

TELEPHONE: (_____) - _____ - _____

FAX: (_____) - _____ - _____

E-MAIL: _____

2. COMPANY NAME: _____

ADDRESS: _____

CONTACT PERSON: _____

TELEPHONE: (_____) - _____ - _____

FAX: (_____) - _____ - _____

E-MAIL: _____

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OFFERORS' NAME: _____

3. COMPANY NAME: _____

ADDRESS: _____

CONTACT PERSON: _____

TELEPHONE: (_____) - _____ - _____

FAX: (_____) - _____ - _____

E-MAIL: _____

4. COMPANY NAME: _____

ADDRESS: _____

CONTACT PERSON: _____

TELEPHONE: (_____) - _____ - _____

FAX: (_____) - _____ - _____

E-MAIL: _____

5. COMPANY NAME: _____

ADDRESS: _____

CONTACT PERSON: _____

TELEPHONE: (_____) - _____ - _____

FAX: (_____) - _____ - _____

E-MAIL: _____

APPENDIX C
VOLUME II - COST PROPOSAL

Price (Fees and Other Costs)

Fees Quoted in bps

- 1. What would the OCIO fees be if your firm is engaged to provide discretionary investment consulting services (bps of AUM)? (OCIO fees should exclude any managers' fees.)**

Year	OCIO fee (bps)
Year 1	
Year 2	
Year 3	
Year 4	
Year 5	

- a) What is the basis upon which assets are to be defined for purposes of invoicing?**

- 2. Are the following costs included in the OCIO fee?**

	Yes/No
Custodian Fees	
Legal Fees (i.e. manager contract review)	
Travel Costs	

3. What would the expected underlying managers' fees be for the following asset classes (excluding any OCIO fee), assuming 100% active management (i.e. 0% passive)? (Provide a fee for only those asset classes where the Fund currently has an exposure and any asset classes in which the Fund is not currently invested but which your firm might consider recommending.)

Asset Class	bps
Managers (Most Active) US equity (large cap)	
US equity (small and/or mid cap)	
Global equity (ex US, ex Emerging Markets)	
Emerging markets equity	
US fixed income (very short duration; i.e. cash)	
US fixed income (short duration)	
US fixed income (mid and/or long duration)	
High yield bonds	
Real return bonds	
Emerging markets fixed income	
Real estate - REITs	
Real estate - direct	
Infrastructure	
Commodities	
Hedge funds	
Private equity	
Tactical asset allocation	

- a) If there are any asset classes (maximum 3), not included above, that your firm might consider recommending to the Fund and which are not included above, list them and their expected underlying managers' fees.

Asset Class	Manager Fees (bps)
Asset Class #1	
Asset Class #2	
Asset Class #3	

4. What optional services, if any, are excluded from your fee proposal, but which you believe may nevertheless be of interest to the Committee (e.g. enhanced risk reporting)?

- a) What additional fees would apply for any such optional services?

- 5. Do you anticipate that the Fund would have to pay any additional fees or costs with respect to the management of the Fund that are not included in your fee proposal? If so, describe and estimate those fees.**
- 6. Identify any material assumptions about the scope of services that your firm has made in arriving at the above fee proposal. (250 words max)**
- 7. Does your firm offer any fee structures that are different than the structure described above, that it wishes the Committee to consider? If so:**
 - a) Describe the fee structure.**
 - b) Explain why your firm and/or the Committee might prefer the proposed alternative structure (e.g. better alignment of interest).**
 - c) Include an estimate of the fees that would be expected to be paid over a five (5) year term, along with the assumptions upon which those estimates are based.**

APPENDIX D

FREEDOM OF INFORMATION EXCLUSIONS

Offerors claiming exclusion from access granted by the Commonwealth of Virginia's Freedom of Information Act (VAFOIA) for trade secrets or proprietary information must provide the following information:

_____ herein claims protection under the VAFOIA of trade and/or proprietary
(Company Name)
secrets contained in the following sections of the proposal submitted in response to the RFP identified above.

SECTION:	TITLE OF SECTION
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
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NOTE: Failure to specify areas of your proposal that are to be protected from public access either on this page or on the sections of your proposal for which protection is intended; will result in your firm's proposal being subject to public inspection. Requests for protection after the deadline for submission of proposals will not be considered.