

**WASHINGTON STATE INVESTMENT BOARD**

**REQUEST FOR QUALIFICATIONS & QUOTATIONS  
(RFQQ)**

**REAL ASSETS COMPLIANCE MONITORING AND REPORTING**

**RFQQ # 10-01**

**SEPTEMBER 8, 2009**

***IDENTIFICATION OF OFFEROR'S PROPRIETARY INFORMATION:***

*OFFERORS ARE ADVISED THAT THE WASHINGTON STATE INVESTMENT BOARD IS A WASHINGTON STATE PUBLIC AGENCY AND IS THUS SUBJECT TO PUBLIC RECORDS REQUESTS. THERE ARE PERMISSIBLE EXEMPTIONS FROM PUBLIC DISCLOSURE PURSUANT TO CHAPTER 42.56 REVISED CODE OF WASHINGTON (RCW) BUT THEY ARE LIMITED, NARROW IN SCOPE AND STRICTLY CONSTRUED. OFFERORS WISHING TO CLAIM PORTIONS OF THEIR RESPONSE AS CONFIDENTIAL AND EXEMPT FROM PUBLIC DISCLOSURE ARE ADVISED TO CAREFULLY READ SECTIONS 5.5.1 AND 5.6 OF THIS RFQQ FOR MORE DETAIL.*

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## SECTION 1: INTRODUCTION

### 1-1 Background

The Washington State Investment Board (hereinafter WSIB or Board), a major institutional investor with \$64.6 billion under management as of June 30, 2009, and a reputation for innovation, finds a need for additional compliance monitoring and reporting for the Real Assets portfolio and therefore seeks a vendor to provide compliance monitoring and reporting on real asset investments, including performance, capital draws, and distributions across all real estate partnerships and funds for use in investment risk analysis and reporting on the real estate portfolio.

Real Assets comprise approximately 18.6 percent of WSIB's investment portfolio.

Approximately 40 real asset investments with 17 investment managers comprise the Real Assets portfolio. The portfolio is global in reach, with approximately 32.9 percent of current investments outside the U.S. All major as well as several minor property types are represented. The WSIB anticipates prospective portfolio growth. The proportion of the portfolio outside the U.S. is expected to rise over time.

Contractors will conduct a review of investment agreements, audited financial statements, and other documentation in order to perform a compliance review on all real asset investments. Contractors will conduct compliance and prepare written compliance reports on all real asset investment at least once per year. The contractors will undertake compliance testing on contributions, distributions, management fees, valuations, net profits/losses allocated and other terms and conditions of the agreements in accordance with testing methods approved by WSIB staff.

Each real asset investments will be tested at least once per year. The selected contractors will develop and submit to WSIB staff for approval, a testing template which will include the tests to be performed, the testing parameters and a summary report for each investment. The contractors will submit to WSIB staff for approval a testing schedule listing each investment to be tested in the rotation. The Contractor will submit to WSIB staff for approval the format in which compliance results will be reported. The Contractor will review the Audited Financial Statements and related financial documentation. Relevant compliance tests will be agreed to the Audited Financial Statements used in conducting compliance testing. Pertinent sections of the Audited Financial Statements will be identified and referenced in the testing reports. Compliance review will include site visits to investment manager's headquarters, as needed or as requested by the WSIB staff. The senior compliance consultant assigned to the WSIB account shall meet at the end of each rotation with the WSIB staff to comment on the overall compliance testing results.

### 1-2 Purpose

Pursuant to Chapter 39.29 of the Revised Code of Washington (RCW), the WSIB is issuing a Request for Qualifications and Quotations (RFQQ) and awarding contracts to collect, clean, and process the Real Asset information for use in analysis and reporting. The goal of this procurement is to identify the best suited information service and related product support to satisfy the aforementioned business needs. Firms intending to reply should have (i) a proven and robust process for consolidating real estate information and/or tools for risk analysis and reporting for real estate assets, (ii) experience supporting plan sponsors or asset management firms, (iii) available expertise and staff resources to assist the WSIB staff. The Offeror would provide the WSIB services as described in the Statement of Work of the RFQQ.

### **1-3 Two Tier Solicitation Process**

This is a two tier solicitation process. The first tier starts with the release of this RFQQ and concludes with the award of optional-use contracts (Contracts) intended to create the Pool of pre-qualified contractors to collect, clean, and process the Real Asset information for use in analysis and reporting on an as needed project basis. The purpose of the RFQQ is to determine offeror qualifications and obtain a quoted fee schedule to award Contracts to qualified firms. Please note: Optional-Use contracts do not include retainers nor a guarantee of compensation. Compensation is available through award in the second tier process for the consultant pools and the contract for the performance reporting services.

The second tier arises as WSIB determines a need (project) for a specific service. As needed, the WSIB will release a Work Request for a defined project to one or more contractors. The second tier will conclude with the award of a Work Order to a particular contractor. The purpose of the Work Request is to obtain a proposal from contractors in the pool and a fixed price quotation for award of a specific project via Work Order.

Contracts will be awarded for the contractor Pool defining the terms and conditions of the contractual relationship. The number of Offerors which may be awarded an Optional-Use contract will be determined after review and scoring of responses to this RFQQ. The term of the contracts will be for five (5) years with the option to extend the contract for an additional five (5) years.

A Work Request and resulting Work Order will define the scope of services and compensation for the specific project. Work Requests may be issued throughout the life of the contract. A contract may be extended through the execution of a Work Order through the last day of the contract. If so executed, the contract will terminate concurrently with the Work Order.

### **1-4 Overview of the WSIB**

The WSIB is a public agency of the state of Washington established to administer the state's investment activity with offices located in Olympia, Washington. The WSIB investment programs include both qualified (IRC §401(a)) retirement programs and non-qualified programs. The WSIB manages the investment of defined-benefit retirement funds, a hybrid retirement plan consisting of defined-contribution and defined-benefit components, a deferred compensation plan (IRC §457), a large pool of insurance fund assets, and a number of permanent and other trust funds. To learn more about the WSIB, please visit WSIB's Web site at [www.sib.wa.gov](http://www.sib.wa.gov).

The WSIB manages investments for 17 separate pension plans (defined benefit and defined contribution) for public employees, teachers, school employees, law enforcement officers, firefighters, and judges. This also includes the Deferred Compensation Program to supplement other retirement benefits. The defined benefit retirement funds are invested through the Retirement Commingled Trust Fund (CTF). As of June 30, 2009, the value of the CTF was \$47.4 billion. The CTF is invested in five basic asset classes: Public Equity, Fixed Income, Private Equity, Real Assets (including real estate and tangible assets), and cash.

The WSIB also manages investments for 22 other public funds that support or benefit industrial insurance for injured workers and their employers (four such funds), funds to benefit schools, colleges and universities (eight permanent funds), the Pension Stabilization Fund, GET College Tuition Program, the Developmental Disabilities Endowment Fund, and Game & Special Wildlife Fund (10 such trust funds, this count also includes 2 that are not funded). Additionally, as trustee of the Plan 3 retirement systems for Public Employees' Retirement System (PERS 3), School Employees' Retirement System (SERS 3), and Teachers' Retirement System (TRS 3), the WSIB is responsible for the investment of plan assets and the provision of self-directed investment options to plan members. The WSIB is responsible

for investing Deferred Compensation Plan funds and providing investment options for program participants.

Total assets under management as of June 30, 2009, were approximately \$64.6 billion. Total Real Assets under management as of June 30, 2009, were approximately \$8.3 billion.

To inform your response and to aid in preparation of your answers to the questionnaire, please visit the WSIB Web site at [www.sib.wa.gov](http://www.sib.wa.gov), including policies related to real estate investments and tangible asset investments at [http://www.sib.wa.gov/information/pdfs/policies/2\\_10\\_600.pdf](http://www.sib.wa.gov/information/pdfs/policies/2_10_600.pdf) and at [http://www.sib.wa.gov/information/pdfs/policies/2\\_10\\_900.pdf](http://www.sib.wa.gov/information/pdfs/policies/2_10_900.pdf), respectively.

## SECTION 2: STATEMENT OF WORK

### 2-1 Scope of Work

The WSIB is seeking a firm to monitor the compliance of the WSIB's Real Assets partners to their relevant investment agreements and to report on the outcome of such monitoring. The Apparently Successful Offerors will have a solution that can be tailored to the needs of a large institutional investor such as the WSIB. The goal is to ensure that the WSIB will have accurate and timely Real Assets portfolio compliance monitoring.

### 2-2 Real Asset Portfolio Compliance Monitoring and Reporting Services to be Provided

**Population to be tested:** All real asset investments will be tested for compliance; including partnership funds, investment vehicles and LLCs. Real assets include, though not exclusively, real estate, infrastructure, commodities, agriculture, timber, and natural resource rights.

The WSIB is seeking contractors to provide the following services:

#### Compliance Testing Preparation

The Contractor will review investment agreement and related documentation for changes and/or amendments each time, prior to conducting compliance testing. The Contractor will review each real asset investment agreement and related documentation and prepare a term sheet template which summarizes the agreement terms with their section numbers, as they relate to the compliance testing to be conducted. The Contractor will develop and submit to WSIB staff for approval, the testing parameters, testing template, testing schedule, report format, timeframes for the compliance testing, and the report delivery dates.

The Contractor will review the Audited Financial Statements and related financial documentation. Relevant compliance tests will be agreed to the Audited Financial Statements used in conducting compliance testing. Pertinent sections of the Audited Financial Statements will be identified and referenced in the testing reports.

#### Compliance Tests

The compliance tests to be performed are:

1. **Contributions and Distributions** – Verify WSIB is contributing the correct amount and receiving correct distributions. The totals recorded by the WSIB should agree to the audited financial statement.
  - Reconcile the total contributed amount by the WSIB as reported by the investment manager in the audited financial statements to the total amount contributed and recorded by the WSIB.
  - Reconcile the total distributed amount by the WSIB as reported by the investment manager in the audited financial statements to the total amount received and recorded by the WSIB.
2. **Valuation Testing** – Review the valuation policy disclosed in the notes to the audited financial statements and review the valuation policy and/or valuation methodology provided in the agreement to ensure alignment.
3. **Allocation of Net Profits/Losses** – Verify that the WSIB net profit and loss allocation was accurate based upon actual contributions and distributions received.
  - Ensure the split of profits/losses is in compliance with the terms of the investment agreement on the schedule and on the trade tickets. Agree the net investment realized gain/loss, income, expenses, and net unrealized gain/loss from audited financial statements.

Example allocation calculation:

WSIB capital account

Total fund/LP capital accounts = approx. WSIB commitment %

If the percentage calculated approximately equals the WSIB ownership share, then the investment manager accounted for WSIB share's correctly.

4. **Management Fees** – Review audited financial statements and verify that the WSIB paid its correct share of management fees and in accordance with the investment agreement. Reconcile any netting off of income received from portfolio companies or other reductions, offsets, adjustments, or waivers as applicable with the investment agreement.
5. **Other Agreement Terms** Depending on the investment agreement, the terms listed below may be applicable and will be tested for compliance.
  - a. **Bridge Loans (Temporary Financing) and Subscription Loans**

Review the investment manager's computation schedule detailing transactions for WSIB contributions and distributions related to bridge loans and subscription loans for the fiscal year and verify that the financing complies with the provisions of the investment agreement.
  - b. **Returns of Management Fees or Returns of Distributions (i.e. Clawbacks)**

Review the investment agreement for an indication of clawback provisions, and assess clawback liability based on the provisions of the agreement. If applicable, determine if the clawback liability assessment is appropriate based on the provisions of the investment agreement.
  - c. **Reinvestment Income**

Review the investment agreement for an indication of reinvestment income provisions. Determine the investment stage based on the year under review. Then assess whether proceeds from the sale of portfolio companies or any other securities are reinvested and that the investment manager is tracking reinvestment income and only reinvest the allowable amount.
  - d. **Investment Restrictions**

Review the investment agreement for investment restrictions. Assess whether the investment manager is complying with restrictions set out in the provisions of the agreement.
  - e. **Cross-Fund Investing**

Review the investment agreement for provisions outlining how investments in companies in which other funds managed by the manager are also invested. Verify the tracking process and that separation between funds is maintained.

f. **Operational Fees**

Review audited financial statements and verify that the WSIB paid its correct share of operational fees and in accordance with the investment agreement. Reconcile any adjustments or waivers as applicable with the investment agreement.

g. **Investment Manager Compensation, Bonuses, and Incentive Fees**

Review the investment agreement for investment manager compensation, bonuses and/or incentive provisions. Verify that the investment manager is taking compensation in accordance with the investment agreement.

h. **Investment Manager Compensation, Bonuses, and Incentive Fees**

Review the investment agreement for investment manager compensation, bonuses and/or incentive provisions. Verify that the investment manager is taking compensation in accordance with the investment agreement.

i. **Annual Business Plan/Strategic Plan**

Review the agreement for the business plan or strategic plan guidelines and requirements, and then review the annual to ensure that terms of the agreement and the terms of the plan are being followed.

j. **Key Person Provisions**

Review the agreement for key person provisions. Verify that key people are still part of the investment team and are adhering to the provisions of the agreement.

**6. Other Compliance Tests and Testing –**

Additional compliance tests and testing may be warranted based on the provisions of the investment agreement or as requested by the WSIB.

**7. Client Conferences –** Under the resulting Optional-Use Contract, Contractors will be required to invite WSIB staff and Board members to participate in the Contractor's Client Conferences (if any), as well as any other client conferences or similar educational activities provided by the Contractor and normally offered to the Contractor's similar clients without additional cost. Included in the fees payable to Contractor, Contractor will cover the cost of such conferences or other similar education activities, including but not limited to all registration fees, materials, lodging, conference meals and refreshments to the extent such conferences or other similar education activities and such costs are paid for by the contractor, without added payment, to other clients.

**2-3 Contract Management**

The WSIB's Chief Operating Officer will be designated as the WSIB's contract manager. The contract manager will be responsible for:

- A. Clarifying with the Contractor the expectations of the WSIB and how the WSIB envisions the contractual relationship working on a day-to-day basis;
- B. Overall direction and planning;
- C. Monitoring Contractor progress against contractual commitments and approving payment; and
- D. Designating specific WSIB staff as Project Manager for day-to-day liaison with Contractor; and
- E. Monthly Status report with Contractor (where necessary or requested).

## SECTION 3: OFFEROR QUALIFICATIONS

### 3-1 Mandatory Minimum Qualifications

As of the RFQQ Due Date, Offerors for the Real Assets Operational Support and Investment Risk Analysis services must satisfy all of the requirements as outlined below in order to be considered for the contract award:

- A. The Offeror must agree to provide the minimum compliance monitoring service requirements as well as all other requirements stated in this RFQQ.
- B. The Offeror must have a minimum three (3) years of actual service history.
- C. The Offeror must accept the written contract as appended to this RFQQ. The Offeror must have the approval of their legal representative to the Sample Contract format set forth as Exhibit "F" prior to submittal of a response.
- D. The key professionals and/or organization submitting a response must not have, nor could they potentially have, a material conflict of interest with the WSIB or its investment managers.

## SECTION 4: GENERAL INFORMATION

### 4-1 Definitions

- **“RFQQ”** shall mean this Request for Qualifications & Quotations, any *addendum* or *erratum* thereto, Offerors’ written questions and the respective answers, and any related correspondence that is: (1) addressed to all Offerors and (2) signed by the Executive Director, his designee, or the RFQQ Coordinator.
- **“Offeror”** shall mean an entity intending to submit or submitting a response to this RFQQ.
- **“Response”** A formal offer submitted in response to this procurement.
- **“Apparently Successful Offerors”** shall mean the Offerors selected by the WSIB as entities qualified to perform the anticipated services.
- **“Contractor”** shall mean a firm awarded an Optional-Use contract through this RFQQ.
- **“Executive Director”** shall mean the agency employee authorized by RCW 43.33A.100 who serves as the senior executive of all staff operations.
- **“WSIB”** shall mean the State of Washington, State Investment Board, consisting of the policy board described in RCW 43.33A.020 and staff authorized by RCW 43.33A.100. It may also be referred to as Board or Agency in this RFQQ.

Contract definitions are provided on page one of the Sample Contract, Exhibit “F”.

### 4-2 Compensation and Payment

The Contractor’s compensation for services shall be for services or hours actually rendered or worked in performance of an awarded Work Order at rates set forth in the Contract. Quoted hourly or other rates must be all-inclusive and must cover all charges including but not limited to salary, benefits, indirect costs, travel, and supplies.

The WSIB may, at its discretion, choose to negotiate rates prior to award of a Contract. Compensation for an awarded Work Order shall be at the rates set forth in the Contract.

### 4-3 Expected Time Period for Contract

The WSIB anticipates executing a contract for these services as early as the close of this year. Contracts will run for an initial 5 years and terminate December 31, 2014. There will be a provision to allow for extending the contract term for an additional five-year term as well as provisions to allow for completion of Work Requests beyond the contract termination assigned during the contract term but not yet completed.

## SECTION 5: INSTRUCTIONS FOR COMPLETING AND SUBMITTING BIDS

### 5-1 Contact Point for WSIB

The RFQQ Coordinator is the sole point of contact. Throughout the duration of the procurement process, all communications are to be directed, in writing, to the contact listed below. **Contact not previously authorized by the RFQQ Coordinator with other WSIB staff or Board members regarding this procurement after issuance of this RFQQ may disqualify the Offeror.**

WASHINGTON STATE INVESTMENT BOARD  
2100 EVERGREEN PARK DRIVE SW, P.O. BOX 40916  
OLYMPIA, WA 98504-0916  
ATTN.: JOHN LYNCH, RFQQ COORDINATOR  
TELEPHONE: (360) 956-4748  
FAX: (360) 956-4748  
EMAIL: [mail to:jlynch@sib.wa.gov](mailto:mail_to:jlynch@sib.wa.gov)

### 5-2 Written Questions from Potential Offerors

Any questions regarding this RFQQ must be in writing, set forth on the Offeror's letterhead and must be received at the address noted above by 4:30 p.m. Pacific Daylight Time, September 21, 2009.

All questions received will be responded to in writing with those responses posted to the WSIB Web site at [www.sib.wa.gov](http://www.sib.wa.gov) for retrieval and review. Offerors are encouraged to check the Web site frequently for this posting. It is incumbent on an Offeror to obtain this information once posted to ensure their response is truly responsive.

### 5-3 Schedule of Procurement Activities

The following schedule of activities must be adhered to by all Offerors. Offerors mailing responses should allow normal mail delivery time to ensure timely receipt of their proposals by the RFP Coordinator listed in Section 5-1 of this RFQQ.

EVENT	DATE
PROCUREMENT INSTRUCTIONS (RFQQ) POSTED ON WSIB WEB SITE	ON OR ABOUT SEPTEMBER 8, 2009
POTENTIAL OFFEROR QUESTIONS DUE	4:30 P.M. PDT SEPTEMBER 21, 2009
RESPOND TO WRITTEN QUESTIONS (POSTED ON WSIB WEB SITE)	4:30 P.M. PDT SEPTEMBER 24, 2009
RESPONSES DUE	4:30 P.M. PDT OCTOBER 21, 2009
EVALUATION OF RESPONSES CONDUCTED	ON OR ABOUT OCTOBER 22 - 30, 2009
NOTIFICATION OF FINALISTS (IF REQUIRED)	ON OR ABOUT OCTOBER 30, 2009
FINALIST VIDEOCONFERENCE INTERVIEWS (IF REQUIRED)	WEEK OF NOVEMBER 9, 2009
ANNOUNCEMENT OF APPARENTLY SUCCESSFUL OFFEROR (SUBJECT TO SUCCESSFUL COMPLETION OF DUE DILIGENCE.)	NOVEMBER 13, 2009
CONTRACT NEGOTIATIONS	NOVEMBER 16, 2009 UNTIL COMPLETION

### 5-4 Procurement Modification

The WSIB reserves the right to change the Schedule or modify any part of the procurement process by issuance of an addendum to all participating Offerors. The WSIB also reserves the right to cancel or reissue the procurement in whole or in part, and for any reason, at the sole discretion of the

WSIB at any time prior to execution of a contract. In the event it becomes necessary to revise any part of the procurement, addenda will be posted on the WSIB Web site. Offerors are advised to check the site regularly prior to the due dates.

## 5-5 Procurement Instructions

### 5.5.1 Submitting Responses

- A. Submittal of eight (8) paper copies of the response is required along with one electronic version in Microsoft Word format. Two copies **must** have original signatures and six (6) copies may have photocopied signatures. If supplemental materials are included with the response, each response must contain a copy of such materials.

Offerors may submit a single response package to apply for multiple categories, however, **Offerors must submit a separate Questionnaire** Exhibit “C”, Appendix 1-2 completed in its entirety for each category for which they are seeking inclusion.

- B. Offerors must also submit an electronic copy of their complete response in Microsoft Word on a universal serial bus (USB) flash or “thumb” drive. It should be enclosed in an envelope labeled with the firm’s name and “RFQQ Real Assets Compliance Monitoring and Reporting.”
- C. Two of the eight copies must be **unbound**.
1. One of these unbound copies must contain **original signatures** and must be marked “**Master Copy**.”
  2. The second unbound copy must be marked “**Copy for Reproduction**,” and **must** be formatted as follows:
    - (a.) no divider sheets or tabs;
    - (b.) text only on **one** side of the sheet of paper (*i.e.*, no double-sided pages); and,
    - (c.) pages with “**confidential**” information must be marked and removed utilizing the following procedures.
      - Each page must identify the specific information claimed to be exempt.
      - Each page must be clearly identified by the word “CONFIDENTIAL” printed on the lower right-hand corner of the page.
      - Removed pages must be separately attached and included with a Cover Index (Confidential Response Transmittal Letter) bearing the Offeror’s name.
      - The Cover Index must list all pages that have been removed and each claim of exemption(s) identified for each specific claim of confidentiality.

Those responses not marked as indicated above are subject to full disclosure under the State Public Records laws. In addition, the Offeror(s) response may be rejected for not being responsive.

On the USB flash drive submitted, include an electronic version of the “Copy for Reproduction.” This electronic version will be used to respond to Public Records Requests made, if any, for a copy of your response. (See subsection 5-6 below). Delete only sections of “confidential” information, not the entire page unless the entire page can be defended as confidential. Where sections of confidential information have been deleted in this electronic version, insert this parenthetical text: “(CONFIDENTIAL INFORMATION REMOVED)” in at least 24 point type. Please secure this electronic version of the “Copy for Reproduction” on the USB flash drive in a manner which will still allow the WSIB or the LLCs to copy the protected electronic file, but will not allow editing of the information, nor allow access to redacted materials or information.

WASHINGTON STATE INVESTMENT BOARD  
P.O. BOX 40916  
2100 EVERGREEN PARK DRIVE SW,  
OLYMPIA, WA 98504-0916  
ATTN.: JOHN LYNCH, RFQQ COORDINATOR  
RFQQ No.: 10-01

**Responses may not be transmitted using electronic media** such as facsimile transmission or electronic mail. Offerors mailing a response should allow normal mail delivery time to ensure timely receipt of their response by the RFQQ Coordinator Notwithstanding the provisions of RCW 1.12.070, postmarks will not be considered as date received for the purposes of this RFQQ. **Late responses, no matter what circumstances explain the lateness, will not be accepted, nor will time extensions be granted.**

The outside of the response packaging is to clearly identify the RFQQ number to which the Offeror is responding.

WSIB reserves the right to retain all responses and accompanying documentation submitted and to use any ideas contained in responses regardless of whether that response is selected. Responses retained shall become the property of WSIB and will not be returned. Submission of a response constitutes acceptance of all conditions contained in this request for qualifications and quotations, unless clearly and specifically noted in the response submitted and confirmed and expressly accepted in the subsequent contract between the firm and WSIB.

#### **5.5.2 Information and Format Requirements**

Responses should be prepared on 8½ x 11 inch paper; however, 11 x 14 inch paper is permissible for charts, spreadsheets, *etc.*

***All of the conditions set forth in this section must be included, and addressed thoroughly and completely by the Offeror in order for the WSIB to accept a bid response to this RFQQ.***

When responding to this request, you are encouraged to describe the ways in which you believe your organization's service capability is unique or would add particular value. Please be succinct in your answers and, if certain services cannot be provided, please so state where appropriate. Responses must include answers to all questions and comply with all requests for information to permit proper evaluation and shall include tabs (except for the unbound copy described in paragraph 5-5.1.B.2 *supra*) separating the following sections:

#### **SECTION 1: General Information** (Exhibit "E" attached hereto)

Complete and include the General Information and Contact Sheet attached as Exhibit "E", by providing the following information.

1. Name, mailing address, phone number, and fax number of the persons or legal entity with whom the contract is to be written.
2. Name, mailing address, phone number, fax number, and email address of primary contact.
3. Name, mailing address and phone number(s) of principal officer(s).
4. Legal status of organization (*e.g.*, sole proprietorship, partnership, corporation, *etc.*).

5. Federal employer identification number.
6. Washington State Department of Revenue Registration Number (UBI number) if applicable.
7. The location(s) of the facility from which the Offeror will operate.

## **SECTION 2: Summary Letter**

Please set forth a stand-alone summary letter of the contents of the Offeror's response including all the subsection topics set forth therein. Take particular care in its preparation, for if your firm is selected as a finalist, this document will be used as a guide by the panel conducting oral interviews, if needed. **DO NOT** structure it in the format of simply referencing sections of your firm's overall response.

## **SECTION 3: Minimum Qualifications Compliance Certificate**

(Exhibit "B" attached hereto).

Utilizing the format of Exhibit "B" and with supplemental pages as needed, please set forth a full explanation of how each mandatory minimum qualification is met by your firm. A mere conclusory assertion that a mandatory qualification is met is insufficient.

## **SECTION 4: Questionnaire**

Offerors should complete and include the Questionnaire attached as Exhibit "C" with all Appendices. **Please provide an electronic copy of the completed questionnaire and appendices on your USB flash drive.** RFQQ and exhibits are available at the WSIB Web site [www.sib.wa.gov](http://www.sib.wa.gov) and should be downloaded for preparation of your response. Please type and number each question prior to its response. If other exhibit forms attached hereto are not utilized for responding, it is nevertheless mandatory that the same format be retained when drafting your proposed approach to accomplishing the scope of services and services to be provided as set forth in Sections 2.1 and 2.2 of this RFQQ.

## **SECTION 5: Offeror Warranties**

The Certifications and Assurances form, Exhibit "D," must be signed by the president or chief executive officer of a corporation, the managing partner of a partnership, the proprietor of a sole proprietorship, or all members of a joint venture, and included in the Offeror's bid.

## **SECTION 6: Supplemental Information**

Each Offeror may present any supplemental information which the Offeror deems appropriate as long as each copy of the bid contains such supplemental information. The Offeror may also provide supporting documentation, as necessary, for evaluators to determine relevance and value.

## **SECTION 7: Proof of Insurance**

The Contractor shall, at its own expense, obtain and keep in force insurance coverage which shall be maintained in full force and effect during the term of the contract. The Apparently Successful Offeror shall furnish evidence in the form of a Certificate of Insurance, and a copy shall be forwarded to the Agency within fifteen (15) days of the notification as the Apparently Successful Offeror.

A contract with the successful Offeror will not be executed until insurance coverage has been verified.

## **SECTION 8: Fee Proposal**

Fees submitted for the proposed contract shall be guaranteed for a period not less than five (5) years from the effective date of the contract.

The fee proposed must provide the information, and be completed in the format, set forth in Exhibit "B", attached hereto. The services detailed in the "Scope of Services to be Performed" section and the questionnaire of this RFQQ are the basis for the proposed fee. Front loading of fees is not permitted. Each time a service is requested, through a Work Request, the successful Offeror will propose the amount of hours needed to complete the project. The number of hours will be multiplied by the fee per hour.

The fee proposal shall include attendance costs and the cost of lodging, meals and refreshments provided at any client conferences offered by the contractor and attended by WSIB staff or Board members.

## **SECTION 9: References**

Please provide a listing of relevant references for public pension fund clients most similar in scope and purpose as that sought by the WSIB. Include a description of work performed, company name and address, contact person, phone number and duration of project. A minimum of five (5) references should be provided.

## **5-6 Proprietary Information**

All material submitted in response to this competitive procurement shall become the property of the WSIB. Such material is subject to public disclosure requests pursuant to Washington's Public Records Act, found in Chapter 42.56 Revised Code of Washington (RCW), as well as pursuant to rules promulgated by the WSIB, in Chapter 287-02 Washington Administrative Code (WAC) and cases decided by Washington courts. The WSIB's public records policy may be viewed at: [www.sib.wa.gov/boardandcommittees/policies/2\\_00\\_250.pdf](http://www.sib.wa.gov/boardandcommittees/policies/2_00_250.pdf).

All submissions will be treated as confidential and exempt from public disclosure until the successful Offeror(s) resulting from this RFQQ, if any, is announced by the WSIB. Thereafter, submissions are subject to public disclosure, unless material has been properly designated as confidential and such material is exempt from public disclosure under Washington laws.

The materials submitted by the Apparently Successful Offeror will be attached to the resulting contract and incorporated therein by that attachment. In general, unless particular material has been properly designated as confidential and exempt from public disclosure under Washington laws, such materials will be deemed public records and subject to public disclosure requests.

In the event that an Offeror desires to claim portions of their response as exempt from disclosure under the provisions of Washington's laws, as noted, it is incumbent upon that Offeror to clearly identify those portions which are claimed as confidential in a response transmittal letter. The transmittal letter must identify the page and particular exemption(s) from disclosure upon which it is making its claim. The generally available exemptions from public disclosure are noted in the WSIB's public disclosure policy, which may be accessed at the WSIB's Web pages at the address noted above. In addition, each page claimed to be exempt must be specifically and clearly identified by the Offeror by the word "CONFIDENTIAL" printed on the lower right-hand corner of the page. *Designating the entire response as confidential or proprietary information is not acceptable and will not be honored and may subject the Offeror's response to being rejected for not being responsive.*

WSIB will consider all requests for exemption from disclosure; however the WSIB will make a decision predicated upon RCW 42.56.210-.480 and current WSIB Public Records Policy. In so doing, WSIB will exercise good faith in responding to requests for public disclosure of public records, will not discriminate between persons requesting records, and will protect legitimate confidentiality interests.

If any of the specifically requested information is marked as “confidential” in the response but in the opinion of the WSIB does not conform to any one of the enumerated exemptions from disclosure in RCW 42.56.210-.480, such information will not be made available until five (5) business days after the affected Offeror has been notified that the information has been requested, to permit the Offeror an opportunity to contest the public disclosure request.

Should a successful Offeror obtain a court order from a Washington State court of competent jurisdiction prohibiting disclosure of parts of its response prior to the execution of the contract incorporating the same, the WSIB will comply with the court order. The burden is upon a successful Offeror to evaluate and anticipate its need to maintain confidentiality and to proceed accordingly.

If the affected Offeror has undertaken proceedings within the timeframe to obtain a court order seeking to restrain the WSIB from disclosure of the “confidential” information within those five (5) days, the WSIB will not disclose such information until resolution of the court proceeding. Upon failure to make application for judicial relief within the allowed period, the information will be disclosed.

It should be noted; however, that time is of the essence in this solicitation process. Although the WSIB will work in good faith to accommodate legal proceedings concerning confidential information, a delay in execution of a contract with respect to other Offerors in order to accommodate a petition to the courts might not be possible or might not be granted.

#### **5-7 Records Retention**

After the date of the announcement of the apparently successful Apparently Successful Offerors, the WSIB will retain all products of information received under this procurement for a period of six years. However due to limited storage capacity and workspace efficiencies, these materials/products copies will be moved from WSIB offices to the Washington State Records Center in Tumwater, Washington at the end of six months from the date of announcement of the apparently successful Offerors. Thereafter, accommodation of any request made pursuant to Chapter 42.56 RCW to examine and/or photocopy responses submitted in response to this RFQQ likely will be necessarily delayed in order to retrieve the requested records.

However, the WSIB will retain access to copies of the procurement information from the Apparently Successful Offeror(s) for a period of six years from the execution date of contracts resulting from this procurement.

#### **5-8 Preparation and Travel Costs**

Expenses for the development and submission of required information are the sole responsibility of the Offeror(s). The WSIB will not be liable for any costs associated with preparation and submission of information submitted in response to this procurement.

The Offeror assumes responsibility for their personnel’s travel and associated costs as they relate to this procurement. These costs must be considered in the cost of the fees that will be proposed.

## 5-9 Response Evaluation

### 5.9.1 Evaluation Process

Written submittals, subsequently requested materials and if necessary, oral presentations will be utilized in selecting the winning response(s). Responses will be reviewed by evaluators who are representatives of the WSIB. After review of the responses, the evaluators may select a group of Offerors for either teleconference or videoconference interviews or face-to-face interviews.

The WSIB reserve the right, at its sole discretion, to reject, without penalty, any and all responses received. The final selection, if any, will be the response(s), which in the opinion of the WSIB, best meet the requirements set forth in the RFQQ and is in the best interest of the WSIB and the state of Washington.

The selection will be accomplished through the following process.

- A. Initially, the WSIB will review each RFQQ for compliance with minimum, mandatory requirements as stipulated within the RFQQ. Noncompliant responses will be rejected from further consideration. The WSIB will make the final determination on all response rejections.
- B. The WSIB will evaluate the acceptable responses against the items shown in the “Evaluation Criteria” section, assigning a numeric score for each of the criteria.
- C. Through the written response evaluation process, the evaluators will identify a group of Offerors for interview by the evaluation panel.
- D. The consensus decision of the evaluation team will be presented to WSIB Executive Staff for approval.

The evaluators through this process will identify the most responsive offers to the requirements stated in this RFQQ using the evaluation criteria and weights as described in the “Evaluation Criteria” section.

### 5.9.2 Evaluation Criteria

The following criteria and relative values will be used by the evaluators to score each written responses for the selection of Offerors:

<i><b>Criteria</b></i>	<i><b>Percentage</b></i>
Depth, Stability and Capacity of Organization	25%
Quality and Experience of Staff	25%
Compliance Monitoring Review and Reporting Capabilities	30%
Customer Service	15%
Fees	5%
<b>TOTAL</b>	<b>100%</b>

#### B. ***Oral Interviews***

The WSIB may choose to conduct oral interviews for final selection of contractors. Interviews may be conducted in-person, by telephone or by videoconference at the WSIB's discretion. The oral presentations in the finalist interview stage will be evaluated to develop a consensus decision of the apparently successful Offerors to be recommended the WSIB's Executive Staff.

In both instances the evaluation will be based on the technical criteria specified in this RFQQ (*i.e.*, organization, experience and expertise, quality and innovativeness of advice, quality of research, and fees), plus these additional factors:

1. The cohesiveness of the oral presentation.
2. Consistency between the oral interviews and the firm's written bid.
3. Reference checks, focusing on past performance and the firm's ability to:
  - a. Perform quality investment management services;
  - b. Work well with the Board and staff;
  - c. Respond to special requests; and,
  - d. The firm's responsiveness during the interview process.

#### 5-10 Addenda to the RFQQ

In the event that it becomes necessary to revise any part of this RFQQ, an *addendum* or *erratum* in numerical sequence will be provided to all Offerors who have indicated an intention to submit a response.

#### 5-11 Submission Limit

After submission, Offerors will not be allowed to amend the information submitted.

## SECTION 6: WSIB RIGHTS

### 6-1 Information Clarifications/Rejections

Determination of clarity and completeness in the responses to any of the provisions in this RFQQ will be made solely by the WSIB. The WSIB reserve the right to require clarification, additional information, and materials in any form relative to any or all of the provisions or conditions of this RFQQ.

The WSIB reserve the right to reject any or all responses at any time prior to the execution of a contract acceptable to the WSIB, without any penalty to the WSIB.

### 6-2 Contract Award

The WSIB intend to award a contract to the Offeror(s) with the best combination of attributes based on the evaluation criteria listed in the "Bid Evaluation Criteria" Section 5-9.2 of this RFQQ.

The WSIB reserve the right to make an award without further discussion of the response submitted. Therefore, the response should be submitted initially on the most favorable terms which the Offeror can propose. There will be no best and final offer procedure. The WSIB reserve the right to contact an Offeror for clarification of its response.

The Offeror should be prepared to accept this RFQQ for incorporation into a contract resulting from this RFQQ. Contract negotiations may incorporate some or the Offeror's entire response. It is understood that the response will become a part of the official procurement file on this matter without obligation to the WSIB.

Should the WSIB fail to negotiate a contract with an Apparently Successful Offeror the WSIB reserve the right to negotiate and contract with, in the view of the WSIB, the next most qualified Offeror.

### 6-3 Publicity

No informational pamphlets, notices, press releases, research reports, and/or similar public notices concerning this project may be released by the apparently successful Offerors without obtaining prior written approval from the WSIB.

### 6-4 Equal Opportunity Assurances

Offerors required by state or federal law to have affirmative action plans must be prepared to provide to the WSIB, upon request, copies of their current affirmative action plan, and the most recent evaluation of that plan, if any.

### 6-5 Waivers

The WSIB reserve the right to waive specific terms and conditions contained in this RFQQ.

It shall be understood by Offerors that the information provided is predicated upon acceptance of all terms and conditions contained in this RFQQ unless the Offeror has obtained such a waiver, in writing, from the WSIB prior to submission of any requested information.

Any waiver, if granted, will be granted to all Offerors.

## SECTION 7: MISCELLANEOUS TERMS AND CONDITIONS

### 7-1 Successful Offeror Notification

On or about the date specified in Section 5.3, "Schedule of Procurement Activities," of this RFQQ, a letter indicating whether the Offeror was selected as an "Apparently Successful Offeror" will be mailed to each Offeror who submitted a response in accordance with the procedures specified in this RFQQ.

### 7-2 Right to Protest, Determination of Timeliness, and Protest Procedures

Any actual Offeror who is aggrieved in connection with the procurement or award of a contract may protest, in writing, to the RFQQ Coordinator noted above. Only protests identifying an issue of fact concerning a matter of bias, discrimination or conflict of interest, errors in tabulation, or non-compliance with procedures described in the procurement document or agency policy shall be considered.

Offerors protesting this procurement solicitation or award shall follow the procedures described herein. Protests that do not follow these procedures shall not be considered. This protest procedure constitutes the sole administrative remedy available to Offerors under this procurement.

Upon exhaustion of this remedy, no additional recourse is available within the WSIB. Chapter 34.05 RCW, Administrative Procedures Act (APA), does not apply to this procurement.

All protests must be in writing and signed by the protesting party or an authorized agent. Telegrams or similar transmittals will not be considered. The protest must state all facts and arguments on which the protesting party is relying. All protests shall be addressed to the Washington State Investment Board, Contracts Office.

#### **A. Contents of Protest**

To expedite handling of protests, the envelope should be labeled "Protest." The written protest shall include, at a minimum, the following:

1. the name and address of the protester;
2. the appropriate identification of the procurement, including contract number if a contract has been awarded;
3. a statement of reason(s) for the protest; and
4. any supporting exhibits, evidence, or documents to substantiate any claims unless not available within the filing time, in which case a descriptive title of the document and its expected availability date shall be indicated.

If a protest may affect the interest of any Offeror(s), such Offeror(s) will be given an opportunity to submit its view and any relevant information on the protest to the RFQQ Coordinator noted above.

## ***B. Types of Protest***

1. Protests against the procurement solicitation documents or processes must be received by the RFQQ Coordinator no later than 3:00 p.m. Pacific Time five (5) business days prior to the date responses are due. Filing of a protest against the solicitation does not entitle the protesting party to an extension of time for submitting its response.
2. If the protest is for rejection of a Offerors' submitted response, the protest must be received by the WSIB Contracts Office no later than 3:00 p.m. Pacific Time on the fifth business day following Offeror's receipt of the notice of rejection, whether oral or written, or the announcement of the Apparently Successful Offeror(s), whichever occurs first. Only those who are eligible to submit a response under the criteria established for the particular procurement involved may protest the rejection of a submitted information.
3. If the protest is regarding the award of a contract under this procurement, the protest must be received by the RFQQ Coordinator no later than 3:00 p.m. Pacific Time on the fifth business day following the date of the notification of Apparently Successful Offeror letter, outlined in Section 7.2 of this RFQQ. Only those who have submitted a valid bid under the criteria established for this particular procurement may protest the award of a contract.

Upon receipt of a protest, a protest review will be held by the Chief Operating Officer to review the procurement process utilized. This is not a review of responses submitted or the evaluation scores received. The review is to ensure agency policy and procedures were followed, all requirements were met, and all Offerors were treated equally and fairly.

The Chief Operating Officer will consider the record and all facts available and issue a decision within five (5) business days of receipt of the protest unless additional time is required, in which case the protesting party will be notified by the Chief Operating Officer of the delay. The decision of the Chief Operating Officer will be final and conclusive.

### **7-3 Debriefing of Unsuccessful Offerors**

Unsuccessful Offerors will be afforded a debriefing conference. The request for a debriefing conference must be received by the RFQQ Coordinator within seven (7) days after mailing by WSIB of a notification to the unsuccessful Offerors. Discussion will be limited to a critique of the requesting Offeror's response. Comparisons between responses or evaluations of the other Offeror's responses will not be allowed. Debriefing conferences may be conducted in person or telephone/video conference and will be scheduled for a maximum of one hour. The debriefing conference must be held within fourteen (14) days after mailing by WSIB of notification to the unsuccessful Offerors.

### **7-4 Stay of Contract Execution During Protests**

In the event of a timely protest, the WSIB may proceed further with the procurement but shall not execute the contract unless the protest is decided or until the Executive Director or a designee makes a written determination that the award of the contract without delay is necessary to protect substantial interests of the WSIB.

### **7-5 Entitlement to Costs**

In addition to any other relief, when a protest is sustained and the protesting Offeror should have been awarded a contract under the procurement but was not, then (except if the protesting Offeror is found

to be substantially at fault) the protesting Offeror shall be entitled to its reasonable submission preparation costs, but not attorneys' fees or anticipated profits.

#### **7-6 Minority & Women-Owned Business Participation**

In accordance with the legislative findings and policies set forth in chapter 39.19 RCW, the state of Washington encourages participation in all of its contracts by firms certified by the Office of Minority and Women's Business Enterprises (OMWBE). Participation may be either on a direct basis in response to this solicitation or on a subcontractor basis. However, no preference will be included in the evaluation of proposals, no minimum level of MWBE participation shall be required as a condition for receiving an award and proposals will not be rejected or considered non-responsive on that basis. Any affirmative action requirements set forth in federal regulations or statutes included or referenced in the contract documents will apply.

#### **7-7 General Contract Terms and Conditions**

A contract may result between WSIB and the successful Offeror from this procurement process. Exhibit "F" of this procurement document contains the special and general terms and conditions that shall be agreed to.

*The submission of a response constitutes acceptance by the Offeror of the special and general terms and conditions.*

*The WSIB's intent is to have the sample contract accepted as presented without material changes. It is strongly recommended that your firm's legal counsel should review the attached contract. If your firm is unwilling or unable to accept the terms of the contract set forth, you must identify your concerns in a cover letter that is to accompany your Certifications and Assurances. However, WSIB reserve the right at its sole discretion to approve or disapprove changes to the contract*