



WASHINGTON STATE  
**INVESTMENT BOARD**

**REQUEST FOR QUALIFICATIONS AND QUOTES  
(RFQQ) # 10-02**

**FOR**

**PROXY VOTING AND MANAGEMENT  
SERVICES**

**OCTOBER 12, 2009**

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

*OFFERORS ARE ADVISED THAT THE WASHINGTON STATE INVESTMENT BOARD IS A WASHINGTON STATE PUBLIC AGENCY. IT IS SUBJECT TO PUBLIC DISCLOSURE REQUESTS. THERE ARE PERMISSIBLE EXEMPTIONS FROM PUBLIC DISCLOSURE PURSUANT TO CHAPTER 42.56 REVISED CODE OF WASHINGTON (RCW) BUT THEY ARE LIMITED, VERY NARROW IN SCOPE AND STRICTLY CONSTRUED. OFFERORS WHO WISH TO CLAIM PORTIONS OF THEIR PROPOSAL AS CONFIDENTIAL AND EXEMPT FROM PUBLIC DISCLOSURE ARE ADVISED TO CAREFULLY READ SECTION 5.5.1.B.2 (3) AND 5.6 FOR MORE DETAIL.*

## TABLE OF CONTENTS

### SECTION 1: INTRODUCTION

1-1	Background.....	1
1-2	Purpose.....	1
1-3	Services Required.....	1

### SECTION 2: STATEMENT OF WORK

2-1	Scope of Work.....	2
2-2	Services to be Provided/Key Deliverables.....	2
2-3	Contract Management.....	5

### SECTION 3: OFFEROR QUALIFICATIONS

3-1	Mandatory Minimum Qualifications.....	6
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### SECTION 4: GENERAL INFORMATION

4-1	Overview of Organization.....	7
4-2	Definitions.....	7
4-3	Compensation and Payment.....	8
4-4	Expected Time Period for Contract.....	8
4-5	Eligibility to Compete.....	8

### SECTION 5: INSTRUCTIONS FOR COMPLETING AND SUBMITTING PROPOSALS

5-1	Board Contact.....	9
5-2	Submission of Questions.....	9
5-3	Schedule of Procurement Activities.....	9
5-4	Procurement Modification.....	10
5-5	Procurement Instructions.....	10
5-5.1	Submitting Proposals.....	10
5-5.2	Information and Format Requirements.....	11
	Section 1: Summary Letter.....	12
	Section 2: General Information.....	12
	Section 3: Minimum Qualifications/Compliance Certificate.....	12
	Section 4: Offeror Warranties.....	12
	Section 5: Questionnaire.....	12
	Section 6: References.....	12
	Section 7: Proof of Insurance.....	12
	Section 8: Supplemental Information.....	13
	Section 9: Fee Proposal.....	13
5-6	Proprietary Information.....	13
5-7	Records Retention.....	14
5-8	Preparation and Travel Costs.....	15
5-9	Proposal Evaluation.....	15
5-9.1	Evaluation Procedure.....	15
5-9.2	Evaluation Criteria.....	16
5-10	Addenda to the RFQQ.....	17
5-11	Submission Limit.....	17

**SECTION 6: WSIB RIGHTS**

6-1 Information Clarification/Rejections .....18  
6-2 Contract Award.....18  
6-3 Publicity .....18  
6-4 Waivers .....18

**SECTION 7: MISCELLANEOUS TERMS AND CONDITIONS**

7-1 Successful Offeror Notification .....19  
7-2 Right to Protest, Determination of Timeliness, and Protest Procedures.....19  
7-3 Debriefing of Unsuccessful Offerors .....20  
7-4 Stay of Contract Execution during Protests.....20  
7-5 Entitlement to Costs .....21  
7-6 Minority & Women-Owned Business Participation .....21  
7-7 General Contract Terms and Conditions .....21

**EXHIBIT “A” MANDATORY MINIMUM QUALIFICATIONS COMPLIANCE CERTIFICATE**

**EXHIBIT “B” CERTIFICATIONS AND ASSURANCES**

**EXHIBIT “C” QUESTIONNAIRE**

**EXHIBIT “D” GENERAL INFORMATION AND CONTACT SHEET**

**EXHIBIT “E” FEE SCHEDULE**

**EXHIBIT “F” CLIENT REFERENCES**

**EXHIBIT “G” SAMPLE CONTRACT**

**EXHIBIT “H” INSURANCE COVERAGE**



**SECTION I**  
**INTRODUCTION**

**1-1. Background**

The WSIB passively indexes the majority of its domestic equity assets. The indices utilized include the Dow Jones Wilshire 5000 Index, the Russell 3000 Index, the Russell 2000 Index, and the S&P 500 Index. The indexed assets are held in commingled funds managed by Barclays Global Investors (BGI). The WSIB exercises proxy voting rights of these securities proportionate to the size of the WSIB's investment in the respective fund. BGI, utilizing Automatic Date Processing, Inc. (ADP) and Investors Bank & Trust Company (IBT), custodian of the assets involved, will provide information on the WSIB's pro-rata ownership of securities held in the commingled funds to the selected proxy voting management services provider who will interface with ADP to obtain the necessary information.

**1-2. Purpose**

The WSIB wishes to maintain an active role in corporate governance and directly control the proxy voting decision process. With that in mind, the WSIB is looking to establish a strategic alliance/partnership with a proxy voting services provider to meet the WSIB's current and future needs. Initially these services will be utilized only for U.S. domestic equity. However, as the scope of corporate governance matures at the WSIB, this strategic partnership will be important for the expansion of the WSIB's corporate governance role.

The WSIB aims to engage a firm to provide proxy voting policy guidance, research on proxy voting issues as they impact shareholders, proxy voting recommendations, and other services relating to researching and voting the WSIB shareholder proxies for the WSIB U.S. domestic equity portfolios (the "Proxy Services").

This strategic alliance will be an important relationship to the WSIB. The successful Offeror will be viewed as an integral part of the WSIB investment team and may be asked to provide a variety of research, analysis, and advice on related topics.

**1-3. Services Required**

The WSIB is soliciting Proposals to this RFQQ from firms interested in providing the complete package of services listed below.

Proxy Voting Policy Development Services  
Proxy Voting Research Services  
Proxy Voting Recommendation Services  
Proxy Voting Consulting Services  
Proxy Voting Agency Services

Offerors may submit a single Proposal to apply for the complete services above as a single firm; however, Offerors may partner with another firm to submit a Proposal that would provide the required complete services above. The Questionnaire (see Exhibit C, Questionnaire) must be answered completely. If an Offeror is going to submit as a partnership with another firm(s), please so indicate, and provide the information requested for all partners.

Based on the Proposals received, the WSIB will make the choice as to the best Offeror and award a contract to the Offeror providing the best option for all services requested.

## SECTION 2

### STATEMENT OF WORK

#### 2-1. Scope of Work

The scope of this assignment is to provide proxy voting services to include drafting policies, conducting research, providing recommendations, proxy voting management for the WSIB, and voting agency services. The goal is to ensure that the WSIB will have timely access to management-level expertise on diverse proxy voting investment issues for any funds, whether currently held or added in the future, for which the WSIB holds investment management responsibility.

#### 2-2. Services to be Provided/Key Deliverables

Perform duties with the care, skill, prudence and diligence under the circumstances then prevailing, that an ordinary prudent investor, acting in like capacity and familiar with such matters, would use in the performance of similar services, all in accordance with the applicable federal and state law, and WSIB policies, guidelines and procedures. Contractor shall not (a) act in any manner involving WSIB proxies, on behalf of another party, or (b) take any action or render any services when Contractor's independence of judgment on behalf of the WSIB is or could reasonably be affected; or (c) receive any consideration for its own account, or for the account of any principals or affiliates, from any third party that Contractor knows or should know is being offered or given with the intention to influence the advice or services required or rendered under this Contract. In consideration of the above, the Contractor shall provide the following services:

A. *Proxy Voting Policy Development Services:*

1. Work with the WSIB staff to develop a Proxy Voting strategy that is consistent with fiduciary responsibilities and integrated into the WSIB investment plans.
2. Review and discuss existing/standard proxy voting policies utilized by the Contractor to ascertain the appropriateness for the WSIB.
3. Provide policy development services to include; meeting coordination, brainstorming, drafting and editing, and final approval of a proxy voting policy.
4. Provide annual proxy voting policy updates.

B. *Proxy Voting Research Services:*

1. Track and monitor through the appropriate custodian and sub-custodians the holdings of the WSIB's domestic equity portfolios for the purpose of providing proxy research, including monitoring meeting schedules and agendas.
2. Provide in-depth and impartial research on all resolutions at all shareholders meetings as required by the WSIB.
3. Provide the WSIB printable and savable electronic copies of original research and analysis for each Proposal to be voted upon by proxy on behalf of the WSIB.
4. The WSIB shall receive access to analyses of proxy Proposals for Contractor's standard universe of companies which shall include all companies needed by the WSIB.

5. Provide personalized assistance, advice, and discussion of governance issues, legislative issues, SEC issues, voting policies, and specific analyses and recommendations to the WSIB staff with respect to specific proxy ballot proposals, including anticipated effects on corporate governance.
6. Keep the WSIB informed of proxy voting and corporate governance changes and developments in individual markets.
7. Provide the WSIB with regular access to any meetings, conference calls and/or web casts that might provide timely information on specific issues of concern regarding corporate governance
8. Provide financial and economic analysis with emphasis on shareholder value.
9. Provide access to research through a web-based accessible research platform.

*C. Proxy Voting Recommendation Services:*

1. Provide Proxy analyses and vote recommendations on issues such as, but not limited to, accounting practices, financial transparency, independence of board, quality of board oversight, pay-for-performance equity based compensation, and mergers and acquisitions.
2. Research and provide clear definitive recommendations on case-by-case issue that cannot be voted with ease or certainty pursuant to guidelines.
3. Provide immediate attention to issues that need WSIB attention and on an as requested basis by the WSIB.
4. Provide customized recommendations when warranted
5. Provide recommendations in full compliance with applicable laws and standards, including U.S. Department of Labor standards.

*D. Proxy Voting Consulting Services:*

1. Manage the WSIB proxy voting activity and keep the WSIB abreast of all issues needing review.
2. Ensure that issues are researched and briefed so that the WSIB decision making process is kept simple and time requirements for the WSIB staff are at the bare minimum.
3. Receive, open, and document all physical proxy voting ballots as the WSIB agent.
4. Prepare or assist in the preparation of reports on proxy voting and corporate governance issues.
5. Provide written updates on current corporate governance issues.
6. Assist with advice, research and analysis on other miscellaneous corporate governance matters.
7. Promptly respond to inquires and requests regarding each area of service.

*E. Proxy Voting Agency Services:*

1. Interface with ADP to obtain required proxy voting information from Barclay's Global Investors, N.A.

2. Timely execution of specified proxy ballots on the WSIB's behalf, solely in accordance with the proxy voting guidelines (the "Guidelines") provided to Contractor by the WSIB or, after consultation with the WSIB (or an agent of the WSIB), pursuant to the WSIB's instructions
  3. The WSIB or the WSIB's agent may reserve the right to approve or determine any vote, either by issue or by security.
  4. Reconcile, through cooperative efforts with the custodian(s) and sub-custodians, any discrepancies, including but not limited to holdings, ballots, numbers of shares held, proxies to be voted, votes against management, and votes with management.
  5. Provide override voting capability to the WSIB representative on each item on each pending proxy up to the deadline of vote submission required by the company.
  6. Communicate effectively and reliably with the WSIB, and, as applicable, WSIB custodian(s) and sub-custodians, all ballots received, management's and the WSIB's voting recommendations, votes executed, and confirmations with respect to WSIB proxy voting.
  7. Maintain detailed records of all recommended and actual votes, and special instructions, including ballots, number of shares voted and type of vote recorded, for at least two years.
  8. In its performance of the services set forth above, Contractor shall be entitled to rely on the decisions, instructions, actions and directions of WSIB.
  9. Provide comprehensive written proxy voting reports in formats approved by WSIB, as requested, but no less often than quarterly.
- F. Provide other related and reasonable services as may be requested by WSIB from time to time.
- G. The WSIB shall furnish Contractor such evidence of authority of the persons authorized to act on behalf of the WSIB, together with their specimen signatures, as Contractor may reasonably request.
- H. The Contractor shall invite WSIB Board members and relevant WSIB staff to participate in the Contractor's Client Conferences and any and all other client conferences or similar educational activities provided by the Contractor and normally offered to Contractor's clients. Any invitations to the WSIB Board members and relevant WSIB staff given by the Contractor to participate in the Contractor's Client Conferences and any and all other client conferences or educational activities normally offered to Contractor's clients shall be considered part of services rendered by the Contractor, and that all costs normally paid or reimbursed by the Contractor, such as registration fees, materials, lodging, conference meals and refreshments, related to such Client Conferences shall be deemed part of this Contract. If the costs normally borne by the Contractor are initially borne by the WSIB, the Contractor shall reimburse the WSIB for such Client Conferences costs.
- I. All reports required under this Contract shall be in writing unless approved otherwise and sent to: ATTN.: *Corporate Governance Officer*, Washington State Investment Board, 2100 Evergreen Park Drive SW, P.O. Box 40916, Olympia, WA 98504-0916 unless otherwise indicated.

### 2-3. Contract Management

The WSIB's Chief Investment Officer and/or the Chief Operating Officer will be designated as the WSIB's contract manager(s). The contract manager(s) will be responsible for:

- A.* Clarifying with the Contractor the expectations of the WSIB, how the WSIB envisions the relationship working on a day-to-day basis;
- B.* Overall direction and planning;
- C.* Monitoring Contractor progress against contractual commitments and approving payment;
- D.* Designating specific WSIB staff as Project Manager for day-to-day liaison with Contractor; and,
- E.* Receiving and acceptance of reports from Contractor.

## SECTION 3

### OFFEROR QUALIFICATIONS

#### 3-1. Mandatory Minimum Qualifications

As of September 30, 2009, candidate firms must satisfy the minimum requirements as outlined below in order to be considered for contract award:

- A.* The firm must currently be providing these types of services to at least five institutional clients, two of which must be public funds.
- B.* The firm must have at least one (1) year of experience providing the kind of services requested by the proposal to institutional investor clients.
- C.* The firm's key professionals and/or organization must not have, nor could they potentially have a material conflict of interest with the WSIB or its custodian or its investment managers.
- D.* The firm must maintain or have access to existing operational database and information technology capabilities appropriate for the services included.
- E.* The firm must be willing to enter into a contract with WSIB upon selection as the Apparently Successful Offeror. The terms, conditions, and approach to the contract shall be based on the sample contract provided under the procurement.

## SECTION 4

### GENERAL INFORMATION

#### 4-1. Overview of Organization

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 Website 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 Website at [www.sib.wa.gov](http://www.sib.wa.gov)

#### 4-2. Definitions

- **“Offeror”** shall mean an entity intending to submit or submitting a Proposal in response to this RFQQ.
- **“Proposal”** shall mean all information submitted in response to this procurement, to include, questions, references, and requested additional information to ensure required screening and evaluation is conducted.
- **“Apparently Successful Offeror”** shall mean the Offeror selected by the Washington State Investment Board (WSIB) as the entity or entities qualified to perform the anticipated services.

- “**Contractor**” shall mean a firm awarded a 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.
- “**RFQQ**” shall mean this Request for Qualifications and Quotes, 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.
- “**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.

#### 4-3. Compensation and Payment

The compensation for providing services and advice under this RFQQ shall be based on the fee provided in the Offeror’s proposal. Quoted fees must be all-inclusive and must cover all charges including but not limited to salary, benefits, indirect costs, travel, and supplies. The fee proposed by the Offeror shall be maintained for the full initial term of the contract. For each additional extension authorized by the contract thereafter; increases, if any, shall be approved by the WSIB upon 90-days written notice. Increases shall be based on industry market conditions and shall not be unreasonable. The fee increase will be in writing by amendment to the resulting contract. Therefore, fees submitted, are to be the Offeror’s best and final offer.

#### 4-4. Expected Time Period for Contract

The period of any contract resulting from this RFQQ is scheduled to begin on or about January 1, 2010 and to expire on December 31, 2014. There will be a provision to extend the term for an additional five-year period upon mutual agreement of the parties.

#### 4-5. Eligibility to Compete

To reduce the possibility of potential conflicts, the WSIB’s practice is not to hire entities which seek to provide both investment management as well as investment consulting services for the WSIB. Therefore, any Offeror, which either as a parent company, subsidiary, or affiliate is currently performing investment management services for the WSIB may **not** compete in this investment consulting/services procurement. The Offeror, or any subsidiary, affiliate or parent company thereof, selected as a result of this investment consulting/services procurement may **not** compete during the term of the resulting contract, and any extensions thereto, in any subsequent WSIB procurement, the main purpose of which is to hire a firm or firms for investment management services.

## SECTION 5

### INSTRUCTIONS FOR COMPLETING AND SUBMITTING PROPOSALS

#### 5-1 Board Contact

The RFQQ Coordinator is the sole point of contact for this procurement action. 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 SW, P.O. BOX 40916  
OLYMPIA, WA 98504-0916  
ATTN.: JOHN LYNCH, RFQQ COORDINATOR  
TELEPHONE: (360) 956-4748  
FAX: (360) 956-4775  
E-MAIL: [JLYNCH@SIB.WA.GOV](mailto:JLYNCH@SIB.WA.GOV)

#### 5-2 Submission of Questions

Any questions regarding this RFQQ must be in writing, set forth on the Offeror's letterhead and must be received at the WSIB by 4:30 p.m. Pacific Time, October 21, 2009. Questions will not be responded to if not received by this time and date.

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

#### 5-3 Schedule of Procurement Activities

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

EVENT	DATE
<i>ADVERTISE SEARCH</i>	<i>ON OR ABOUT OCTOBER 12, 2009</i>
<i>POST RFQQ ON WSIB WEBSITE</i>	<i>ON OR ABOUT OCTOBER 12, 2009</i>
<i>OFFEROR'S WRITTEN QUESTIONS DUE</i>	<i>4:30 PM PT OCTOBER 21, 2009</i>
<i>POST RESPONSES TO WRITTEN QUESTIONS ON THE WSIB WEBSITE</i>	<i>ON OR ABOUT OCTOBER 23, 2009</i>
<i>PROPOSALS DUE</i>	<i><b>4:30 PM PT</b> NOVEMBER 12, 2009</i>
<i>EVALUATION OF PROPOSALS</i>	<i>NOVEMBER 16 - 24, 2009</i>
<i>DETERMINE FINALISTS</i>	<i>ON OR ABOUT NOVEMBER 24, 2009</i>

<i>VIDEOCONFERENCES WITH FINALISTS (IF NECESSARY)</i>	<i>WEEK OF NOVEMBER 30, 2009</i>
<i>ON-SITE VISITS TO APPARENTLY SUCCESSFUL OFFEROR (IF NECESSARY)</i>	<i>WEEK OF DECEMBER 7, 2009</i>
<i>CONTRACT NEGOTIATIONS</i>	<i>DECEMBER 2009</i>
<i>CONTRACT BEGINS</i>	<i>JANUARY 1, 2010</i>

#### 5-4 Procurement Modification

The WSIB reserves the right to change the Schedule or modify any part of the procurement process, prior to the date fixed for submission of the Proposals, 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 Proposals

1. Submittal of seven (7) copies of the proposal is required, as well as a USB Thumbdrive containing the full electronic version of the complete response, including the questionnaire and attachments as well as a redacted version of the “Copy for Reproduction” (see below).  
Two copies **must** have original signatures and five copies may have photocopied signatures.
2. Two of the ten copies must be **unbound**.
  - a) One of these unbound copies must contain **original signatures** and must be marked “**Master Copy**.”
  - b) The second unbound copy must be marked “**Copy for Reproduction**,” and **must** be formatted as follows:
    - No divider sheets or tabs;
    - 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 Disclosure laws. In addition, the Offeror(s) response may be rejected for not being responsive.

On the USB Thumbdrive submitted, include an electronic version of the “Copy for Reproduction.” This electronic version will be used to respond to Public Disclosure Requests made, if any, for a copy of your proposal. (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 Thumbdrive in a manner which will still allow the WSIB to copy that protected electronic file onto its servers, but will not allow editing of the information, nor allow access to redacted materials or information.

Seven (7) copies of the proposal (including the two unbound copies) and the USB Thumbdrive shall be sent or delivered to the following address on, or before 4:30 p.m. Pacific Time, November 12, 2009.

WASHINGTON STATE INVESTMENT BOARD  
P.O. BOX 40916  
2100 EVERGREEN PARK DRIVE SW,  
OLYMPIA, WA 98504-0916  
ATTN.: JOHN LYNCH, RFQQ COORDINATOR  
RFQQ No.: 10-02

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

The outside of the Proposal packaging is to be clearly identified with the RFQQ number to which the Offeror is responding.

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

#### **5-5.2. Information and Format Requirements**

**Response 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 before the WSIB will accept a response to this RFQQ.***

When responding to this request, we encourage you 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 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: Summary Letter**

Please set forth a stand-alone summary letter of the contents of the Offeror's Proposal 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 interviews, if needed. **DO NOT** structure it in the format of a reference to sections of your firm's overall Proposal.

### **SECTION 2: General Information**

Complete and include the General Information and Contact Sheet attached as Exhibit "D".

### **SECTION 3: Mandatory Minimum Qualifications**

Utilizing the format of Exhibit "A" and with supplemental pages as needed, please affirm each mandatory minimum qualification is met by your firm.

### **SECTION 4: Offeror Warranties**

The Certifications and Assurances form, Exhibit "B" 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 Proposal.

### **SECTION 5: Questionnaire**

Offerors must complete and include the Questionnaire. **Please include the completed questionnaire on your USB THUMBDRIVE.**

The RFQQ and exhibits are available at the WSIB website [www.sib.wa.gov](http://www.sib.wa.gov) and should be downloaded for preparation of your response. In those instances when the form provided is not used for your response, 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 6: References**

Please provide a minimum of five (5) relevant references utilizing Exhibit "F" with one being a public pension fund most similar in scope and purpose as that of the WSIB.

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

The Contractor shall, at their own expense, obtain insurance coverage, which shall be maintained in full force and effect during the term of the contract. Please describe the levels of insurance coverage, including amounts of errors and omissions insurance and any other fiduciary or professional liability insurance your firm carries utilizing Exhibit "H." 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 as set forth in the Sample Contract, Exhibit “G” has been verified. The following types of insurance may be required:

- Commercial general liability insurance;
- Professional liability insurance;
- Fidelity bond;
- Directors’;
- Fiduciary; and
- Business auto liability insurance.

### **SECTION 8: Supplemental Information**

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

### **SECTION 9: Fee Proposal**

Fees submitted for the proposed contracts shall be guaranteed from the effective date through the full term of the contract, including extensions thereto. WSIB anticipates that fee proposals will be set forth as an annual amount. Fees will be paid quarterly, in arrears. Exhibit “E” should be utilized to set forth the fee proposal.

The services detailed in the “Services to be Provided” section and the questionnaire of this RFQQ is the basis for the proposed fee. The fee for work performed shall be based upon the proposed fee. Front loading of fees is not permitted. In no case will fees for the contract be higher than the fee contained in the Proposal.

## **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 (PRA), 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 disclosure 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 Proposal 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 Proposal 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 word "CONFIDENTIAL" printed on the lower right-hand corner of the page. *Designating the entire Proposal as confidential or proprietary information is not acceptable, will not be honored, and may subject the Offeror's Proposal to being rejected for not being responsive.*

WSIB will consider all requests for exemption from disclosure; however the agency will make a decision predicated upon RCW 42.56.210-.480 and current WSIB Public Disclosure 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 Proposal 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 three (3) 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 Proposal 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 time frame to obtain a court order restraining the WSIB from disclosure of the "confidential" information within those three (3) 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 the contract 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 Offeror(s), 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 headquarters to the Washington State Records Center in Tumwater, Washington, at the end of six months from the date of announcement of the Apparently Successful Offeror(s). Thereafter, accommodation of any request made pursuant to Chapter 42.56 RCW to examine and/or photocopy Proposals submitted in response to this RFQQ will be necessarily delayed in order to retrieve the requested records.

However, the WSIB will retain, at its headquarters, 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. Proposal Evaluation**

The WSIB reserves the right, at its sole discretion, to reject any and all proposals received without penalty. The final selection, if any, will be the proposal(s) which, in the opinion of the evaluation committee, best meets the requirements set forth in the RFQQ and is in the best interest of the WSIB and the state of Washington.

The proposals will be evaluated according to the following process:

The review of the firm will be based upon the completeness of the response, the appropriateness of the candidate's qualifications to meet the WSIB's proxy voting and management service needs, reputation, cost of services, quality of previous performance, and any subsequently requested materials. Proposals will be reviewed by evaluators who are representatives of the WSIB. On-site visits, in-person or telephone/video interviews may also be utilized in selecting the winning proposal(s). **The WSIB reserves the right, at its sole discretion, to reject, without penalty, any and all proposals received. The final selection, if any, will be the proposal, which, in the opinion of the WSIB, best meets the requirements set forth in the RFQQ and is in the best interest of the WSIB and the state of Washington.**

##### **5-9.1. Evaluation Procedure**

The selection will be accomplished through the following process:

1. Initially, the WSIB will review each proposal for compliance with minimum RFQQ mandatory requirements for responsiveness. Non-responsive proposals will be rejected from further consideration. The WSIB will make the final determination on all proposal rejections.
2. Those RFQQ Proposals meeting the mandatory minimum qualifications will then be evaluated by the WSIB evaluation team against the items shown in the "Evaluation Criteria" section, assigning a numeric score for each of the criteria. The score for each evaluator for each criterion will then be totaled and divided by the number of evaluators to achieve a total evaluated score for the Proposal. Evaluated scores for fees will be figured into the evaluation after the technical evaluated ranking of the firm has been completed. This total evaluated score will determine the evaluation ranking to be used to determine finalists.
3. Finalists may be required to participate in videoconference interviews with the WSIB evaluation team.

These videoconferences will be based on the technical proposal criteria as specified in this RFQQ (*i.e.*, capacity of organization, staffing, proxy voting management services and ability to perform all requested services) plus these additional factors:

- a. The cohesiveness of the oral presentation.
  - b. The firm’s responsiveness during the interview process.
  - c. Consistency between the oral interview and the firm’s RFQQ response.
  - d. Reference checks focusing on past performance (including the WSIB experience, if applicable) and the firm’s ability to:
    - perform quality work;
    - work well with the Board and its staff, as well as governmental policy makers;
    - meet deliverable deadlines; and,
    - respond to special requests.
4. The finalists recommended by the evaluation committee for this contract *may* be presented to the WSIB’s Public Markets Committee and thereafter to the Board for approval.

WSIB seeks to retain the highest quality organization to provide proxy voting and management services in an open, fair, and competitive process. Through the selection process the WSIB reserves the sole discretion in awarding the contract. The WSIB reserves the right at their sole discretion: (i) not to select any proposal and to reject, without penalty, any and all proposals received; (ii) to select any portions of a particular proposal for further consideration; (iii) to accept a proposal other than the lowest cost proposal submitted; (iv) to accept a proposal other than the highest scoring or ranking proposal submitted; or (v) to reject any and all proposals received if such action is considered by WSIB in its sole discretion to be in the best interests of WSIB.

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

- A. The following criteria and relative values will be used by the evaluators to score each written Proposal for the selection of the Apparently Successful Offeror:

<i>Criteria</i>	<i>Percentage</i>
Organization and Capabilities	10%
Quality and Reputation of Personnel	10%
Proxy Voting Management Services	30%
Policy Development	15%
Research and Recommendations	10%
Information Technology and Proxy Voting Services	10%
Fees	15%
<b>TOTAL</b>	<b>100%</b>

- B. Videoconferences

The videoconference presentation (if necessary) by finalists will be conducted to develop a consensus decision amongst evaluation team members to arrive at the WSIB staff recommendation.

#### **5-10. Addenda to the RFQQ**

In the event that it becomes necessary to revise any part of this procurement, an *addendum* or *erratum* in numerical sequence will be provided to all Offerors who provided information into the database for this procurement.

#### **5-11. Submission Limit**

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

## SECTION 6

### WSIB RIGHTS

#### 6-1 Information Clarification/Rejections

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

The WSIB reserves the right to reject any or all Proposals 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 intends to award a contract to the Offeror(s) with the best combination of attributes based on the evaluation criteria listed in Section 5-9.2 of this procurement.

The WSIB reserves the right to make an award without further discussion of the Proposal submitted. Therefore, the Proposal 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 does reserve the right to contact an Offeror for clarification of its Proposal.

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 Proposal. It is understood that the Proposal 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 the Apparently Successful Offeror(s), the WSIB reserves the right to negotiate and contract with the next most qualified Offeror(s). The WSIB also reserves the right to contract with more than one 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 Offeror(s) without obtaining prior written approval from the WSIB.

#### 6-4 Waivers

The WSIB reserves the right to waive specific terms and conditions contained in this Procurement.

It shall be understood by Offerors that the information provided is predicated upon acceptance of all terms and conditions contained in this procurement 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 procurement, a letter indicating whether the Offeror was selected as "the Apparently Successful Offeror" will be mailed to each finalist who submitted a Proposal in accordance with the procedures specified in this procurement.

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

Any actual Offeror who is aggrieved in connection with the procurement solicitation or award of a contract may protest, in writing, to the Contracts Office of the WSIB. 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 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; and
2. the appropriate identification of the procurement, including contract number if a contract has been awarded; and
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 Contracts Office.

## B. *Types of Protest*

1. Protests against the procurement solicitation documents or processes must be received by the Contracts Office no later than 3:00 p.m., Pacific Time five business days prior to the date Proposals are due. Filing of a protest against the solicitation does not entitle the protesting party to an extension of time for submitting its Proposal.
2. If the protest is for rejection of Offerors' submitted Proposal, the protest must be received by the 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 Proposal under the criteria established for the particular procurement involved may protest the rejection of submitted information.
3. If the protest is regarding the award of a contract under this procurement, the protest must be received by the Contracts Office 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 Proposal 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 WSIB's Chief Operating Officer to review the procurement process utilized. This is not a review of Proposals 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 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 Proposal. Comparisons between Proposals or evaluations of the other Offeror's Proposals 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 the contract under the procurement but is 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 "G" of this procurement document contains the special and general terms and conditions that shall be agreed to.

***The submission of a Proposal 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 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 reserves the right at its sole discretion to approve or disapprove changes to the contract.***