



**MARYLAND STATE RETIREMENT AGENCY**

**120 E. BALTIMORE STREET  
BALTIMORE, MD 21202 - 6703**

**REQUEST FOR PROPOSALS**

**SPECIAL INVESTMENT CONSULTANT FOR  
ASSET ALLOCATION REVIEW PROJECT**

ISSUE DATE:	AUGUST 27, 2015
QUESTION CUT-OFF DATE	SEPTEMBER 9, 2015
PROPOSAL DUE DATE	SEPTEMBER 25, 2015

**NOTICE**

A Prospective Offeror that has received this document from the Maryland State Retirement Agency's website or <https://emaryland.buyspeed.com/bsol/>, or that has received this document from a source other than the Procurement Officer, and that wishes to assure receipt of any changes or additional materials related to this RFP, should immediately contact the Procurement Officer and provide the Prospective Offeror's name and mailing address so that addenda to the RFP or other communications can be sent to the Prospective Offeror.

**Minority Business Enterprises Are Encouraged to Respond to this Solicitation**

**MARYLAND STATE RETIREMENT AGENCY  
REQUEST FOR PROPOSALS  
SPECIAL INVESTMENT CONSULTANT FOR  
ASSET ALLOCATION REVIEW PROJECT**

**TABLE OF CONTENTS**

<b>NOTICE TO OFFERORS .....</b>	<b>3</b>
<b>RFP KEY INFORMATION SUMMARY SHEET .....</b>	<b>4</b>
<b>SECTION 1       GENERAL INFORMATION .....</b>	<b>5</b>
<b>SECTION 2       OFFEROR’S MINIMUM QUALIFICATIONS .....</b>	<b>13</b>
<b>SECTION 3       SCOPE OF WORK.....</b>	<b>14</b>
<b>SECTION 4       REQUIREMENTS FOR PROPOSAL PREPARATION .....</b>	<b>16</b>
<b>SECTION 5       EVALUATION AND SELECTION PROCEDURE .....</b>	<b>20</b>

**ATTACHMENTS**

<b>ATTACHMENT A   PROPOSAL QUESTIONNAIRE.....</b>	<b>25</b>
<b>ATTACHMENT B   FINANCIAL PROPOSAL FORM.....</b>	<b>32</b>
<b>ATTACHMENT C   BID/PROPOSAL AFFIDAVIT .....</b>	<b>34</b>
<b>ATTACHMENT D   CONFLICT OF INTEREST AFFIDAVIT AND DISCLOSURE.....</b>	<b>39</b>
<b>ATTACHMENT E   CONTRACT.....</b>	<b>40</b>
<b>ATTACHMENT F   CONTRACT AFFIDAVIT .....</b>	<b>69</b>
<b>ATTACHMENT G   NON-DISCLOSURE AGREEMENT .....</b>	<b>73</b>
<b>ATTACHMENT H   INVESTMENT POLICY MANUAL .....</b>	<b>76</b>

**MARYLAND STATE RETIREMENT AGENCY  
REQUEST FOR PROPOSALS  
SPECIAL INVESTMENT CONSULTANT FOR  
ASSET ALLOCATION REVIEW PROJECT**

**NOTICE TO OFFERORS**

To help us improve the quality of State bid and proposal RFP s, and make our procurement process more responsive and “business friendly,” we ask that you take a few minutes and provide comments and suggestions regarding the enclosed RFP. Please return your comments with your Proposals. If you have chosen not to bid on this Contract, please fax this completed form to 410-468-1701, to the attention of Margo Wheat.

Proposal Entitled: SPECIAL INVESTMENT CONSULTANT FOR ASSET ALLOCATION REVIEW PROJECT

If you have responded with a “no bid,” please indicate the reason(s) below:

- Other commitments preclude our participation at this time.
- The subject of the RFP is not something we ordinarily provide.
- We are inexperienced in the work/commodities required.
- Specifications are unclear, too restrictive, etc. (Please explain in *Remarks* section.)
- The scope of work is beyond our present capacity.
- Doing business with the State of Maryland is simply too complicated.
- We cannot be competitive. (Please explain in *Remarks* section.)
- Time allotted for completion of the Bid/Proposal is insufficient.
- Start-up time is insufficient.
- Time allotted for completion of the required work is insufficient.
- Bonding/Insurance requirements are too difficult. (Please explain in *Remarks* section.)
- Bid/Proposal requirements (other than specifications) are unreasonable or too risky. (Please explain in *Remarks* section.)
- Minority Business Enterprise requirements. (Please explain in *Remarks* section.)
- Prior State of Maryland Contract experience was unprofitable or otherwise unsatisfactory. (Please explain in the *Remarks* section.)
- Payment schedule is too slow.
- Other: \_\_\_\_\_

If you have submitted a Bid or Proposal, and wish to offer suggestions or express concerns, please use the *Remarks* section below. (Use reverse side or attach additional pages as needed.)

REMARKS: \_\_\_\_\_

Contractor/ Offeror Name: \_\_\_\_\_ Date: \_\_\_\_\_

Contact person: \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

**THANK YOU!**

**STATE OF MARYLAND  
MARYLAND STATE RETIREMENT AGENCY  
REQUEST FOR PROPOSALS  
SPECIAL INVESTMENT CONSULTANT  
FOR ASSET ALLOCATION REVIEW PROJECT**

**RFP KEY INFORMATION SUMMARY SHEET**

**Request for Proposals:** Special Investment Consultant for Asset Allocation Review Project

**RFP ISSUE DATE:** August 27, 2015

**RFP Issuing Office:** Maryland State Retirement Agency  
120 East Baltimore Street, 12th Floor  
Baltimore, MD 21202-6703

**Procurement Officer:** Robert M. Burd  
Deputy Chief Investment Officer  
Maryland State Retirement Agency  
120 East Baltimore Street, 12th Floor  
Baltimore, MD 21202

Phone: (410) 625-5571

Fax: (410) 468-1701

Email: [rfpspecialconsultant@sra.state.md.us](mailto:rfpspecialconsultant@sra.state.md.us)

**Proposal(s) are to be sent to:** Maryland State Retirement Agency  
120 East Baltimore Street, 12th Floor  
Baltimore, MD 21202-6703

Attention: Robert M. Burd

**PROPOSAL DUE DATE:** Friday, September 25, 2015  
4:00 PM Local Time

**MBE Subcontracting Goal:** 0%

**MARYLAND STATE RETIREMENT AGENCY  
REQUEST FOR PROPOSALS  
SPECIAL INVESTMENT CONSULTANT FOR  
ASSET ALLOCATION REVIEW PROJECT**

**SECTION 1: GENERAL INFORMATION**

1.1. INTRODUCTION

The Maryland State Retirement Agency (Agency) on behalf of the Board of Trustees for the Maryland State Retirement and Pension System (the System) is requesting Proposals from well qualified investment consultant firms to complete a one-time asset allocation review. The role of the special investment consultant for this time-sensitive project will be to examine the System's asset allocation in the context of the System's actuarial assumed rate of return and the asset allocations of comparable state pension funds and make recommendations to the Board for consideration of possible changes to the System's strategic asset allocation. In accordance with the State of Maryland's Budget Reconciliation and Financing Act of 2015 ("BRFA"), external sources, including the Maryland State Treasurer, will cover the cost of this procurement. The Board is required to provide a copy of the special investment consultant's report and recommendations, if any, to Maryland's Senate Budget and Taxation Committee and House Appropriations Committee. . The selected Offeror must be prepared to deliver a final report and any recommendations to the Board via the Chief Investment Officer on or before January 11, 2016. The selected Offeror must be prepared to discuss the final report and any recommendations with the Board during its January 19, 2016 meeting and present to legislative and executive branch staff in late January 2016. .

The System intends to contract with a single firm with broad investment consulting expertise. It is possible that none of the submitted Proposals will be satisfactory to the System, in which case no selection will be made.

1.2. ABBREVIATIONS AND DEFINITIONS

For purposes of this RFP, the following abbreviations or terms have the meanings indicated below:

**Agency** refers to the Maryland State Retirement Agency.

**Board** refers to the Board of Trustees for the Maryland State Retirement and Pension System.

**Chief Investment Officer** refers to the Chief Investment Officer of the System or his designee.

**COMAR** refers to the Code of Maryland Regulations available on-line at [www.dsd.state.md.us](http://www.dsd.state.md.us).

**Contract** refers to the Contract awarded to the successful Offeror pursuant to this RFP. The Contract will be in the form of **Attachment E**.

**Contractor** refers to the selected Offeror who is awarded a Contract by the Chief Investment Officer.

**Financial Proposal** refers to the separate submission of all pricing data that defines the cost of the services specified in the Technical Proposal.

**Local Time** refers to Time in the Eastern Time Zone as observed by the State of Maryland. Unless otherwise specified, all stated times shall be Local Time, even if not expressly designated as such.

**Minority Business Enterprise (MBE)** refers to any legal entity certified as defined at **COMAR 21.01.02.01B(54) which is certified by the Maryland Department of Transportation under COMAR 21.11.03.**

**Offeror** refers to an entity that submits a Proposal in response to this RFP.

**Proposal** refers, as appropriate, to either or both of an Offeror's Technical or Financial Proposal.

**RFP** refers to this Request for Proposals, including any addenda.

**Staff** refers to the staff members of the Agency.

**State** refers to the State of Maryland.

**System** refers to the Maryland State Retirement and Pension System.

**Technical Proposal** refers to the Offeror's Proposal submitted to comply with the specifications for the scope of work outlined in Section 3 of this RFP.

**Treasurer** refers to the Maryland State Treasurer's Office.

### 1.3 ISSUING OFFICE

The sole point of contact in the Agency for purposes of this solicitation prior to the award of any Contract is the Procurement Officer at the address listed below:

Robert M. Burd  
Deputy Chief Investment Officer  
Maryland State Retirement Agency  
120 East Baltimore Street, 12<sup>th</sup> Floor  
Baltimore, MD 21202-6703

Phone: (410) 625-5571  
Fax: (410) 468-1701  
Email: [rfpspecialconsultant@sra.state.md.us](mailto:rfpspecialconsultant@sra.state.md.us)

Firms that intend to submit a Proposal should not contact any member of the Board of Trustees, the Treasurer's Office, the Board's Investment Committee, the System's Chief Investment Officer, Investment Staff, or other Agency personnel to gain additional information regarding this RFP. Attempting to do so may result in the firm's disqualification. Firms that currently do business with the System may contact persons other than the Procurement Officer, but their contact must be limited to that business, and must not relate to this RFP. In addition, no firm should discuss this RFP with any employee of the System's custodian, outside managers, or any other advisor providing services to the System.

The Agency may change the Procurement Officer at any time by written notice.

### 1.4. QUESTIONS AND INQUIRIES

Written questions from prospective Offerors will be accepted by the Procurement Officer through **Wednesday, September 9, 2015 by 4:00 PM Local Time**. Questions may be submitted by mail, facsimile, or preferably, by e-mail to the Procurement Officer. As reasonably possible and appropriate, these questions will be answered and distributed to all prospective Offerors known to have received this RFP.

In case of questions not received in a timely manner, the Procurement Officer shall, based on the availability of time to research and communicate an answer, decide whether an answer can be given before the Proposal due date. Answers to all substantive questions that have not previously been answered, and are not clearly specific only to the requestor, will be distributed to all vendors who are known to have received a copy of this RFP.

1.5. PROPOSALS DUE (CLOSING) DATE

An unbound original, ten printed (10) copies and one electronic copy of each Proposal must arrive at the issuing office no later than **4:00 PM Local Time, Friday, September 25, 2015** in order to be considered. Requests for extension of this date or time will **not** be granted. Offerors mailing Proposals should allow sufficient mail delivery time to ensure timely receipt by the Procurement Officer. Except as provided in COMAR 21.05.02.10, Proposals received by the Procurement Officer after the due date and time listed in this section will **not** be considered. **Proposals may not be submitted by e-mail or facsimile.**

1.6. DURATION OF PROPOSAL

Proposals submitted in response to this RFP are irrevocable for 120 days following the closing date for submission of Proposals or best and final offers if requested. This period may be extended by written mutual agreement between the Offeror and the Agency.

1.7. REVISIONS TO THE RFP

If it becomes necessary to revise this RFP before the due date for Proposals, addenda will be provided to all prospective Offerors that were sent this RFP or otherwise are known by the Procurement Officer to have obtained this RFP. It remains the responsibility of all prospective Offerors to check all applicable websites for any addenda issued prior to the submission of Proposals. Addenda made after the Proposal due date will be sent only to those Offerors who submitted a timely Proposal and that remain under award consideration as of the issuance date of the addenda.

Acknowledgment of the receipt of all addenda to this RFP issued before the Proposal due date must accompany the Offeror's Proposal in the transmittal letter accompanying the Technical Proposal submittal. Acknowledgement of the receipt of addenda to this RFP issued after the Proposal due date shall be in the manner specified in the addenda notice.

Failure to acknowledge receipt of an addendum does not relieve the Offeror from complying with all terms, additions, deletions, or corrections set forth in the addendum.

1.8. CANCELLATIONS; DISCUSSIONS

The Agency reserves the right to cancel this RFP, accept or reject any or all Proposals, in whole or in part, received in response to this RFP, to waive or permit cure of minor irregularities, and to conduct discussions with all qualified or potentially qualified Offerors in any manner necessary to serve the best interests of the State. The Agency also reserves the right, in its sole discretion, to award a



Contract based upon the written Proposals received without prior discussions or negotiations.

1.9 ORAL PRESENTATION

Offerors may be required to make oral presentations to State representatives. Offerors must confirm in writing any substantive oral clarification of, or change in, their Proposals made in the course of discussions. Any such written clarifications or changes then become part of the Offeror's Proposal and are binding if the Contract is awarded. The Procurement Officer will notify Offerors of the time and place of oral presentations.

1.10 INCURRED EXPENSES

The Agency, the Board, the System, the Treasurer or the State will not be responsible for any costs incurred by an Offeror in preparing and submitting a Proposal, in making an oral presentation, in providing a demonstration, or in performing any other activities related to submitting a Proposal in response to this solicitation.

1.11 EXEMPT FROM PROCUREMENT REGULATIONS

With minor exceptions, this RFP and any Contract entered into as a result hereof are not subject to the provisions of Division II of the State Finance and Procurement Article ("Procurement Article"). Nonetheless, the requirements of the Procurement Article and COMAR, Title 21, State Procurement Regulations (as amended), will be applied to this RFP to the extent practicable and consistent with obtaining the best special investment consultant for the System's asset allocation review project, all as determined in the Procurement Officer's sole discretion. The appeal procedures contained in the Procurement Article and in the State Procurement Regulations will not apply to this procurement.

1.12 ECONOMY OF PREPARATION

Proposals should be prepared simply and economically, providing a straight forward, concise description of the Offeror's Proposals to meet the requirements of this RFP.

1.13 MULTIPLE OR ALTERNATIVE PROPOSALS

Neither multiple nor alternative Proposals will be accepted.

1.14 PUBLIC INFORMATION ACT NOTICE

An Offeror should give specific attention to the clear identification of those portions of its Proposal that it considers confidential, proprietary commercial information or

trade secrets, and provide justification why such materials, upon request, should not be disclosed by the Agency under the Access to Public Records Act, Title 4, General Provisions Article of the Annotated Code of Maryland.

This information should be identified by page and section number and placed after the Title Page and before the Table of Contents in the Offeror's Technical Proposal, and if applicable, separately in the Financial Proposal. Offerors are advised that, upon request for this information from a third party, the Procurement Officer is required to make an independent determination whether the information must be disclosed.

#### 1.15 OFFEROR RESPONSIBILITIES

The selected Offeror/Contractor shall be responsible for all products and services required by this RFP. Each Offeror shall identify all proposed subcontractors and include a complete description of their roles relative to the Proposal. The selected Offeror retains responsibility for all work performed by and every deliverable submitted by a subcontractor. If an Offeror that seeks to perform or provide the services required by this RFP is the subsidiary of another entity, all information submitted by the Offeror such as, but not limited to, references and financial reports, shall pertain exclusively to the Offeror, unless the parent organization will guarantee the performance of the subsidiary. If applicable, the Offeror's Proposal must contain an explicit statement that the parent organization will guarantee the performance of the subsidiary.

#### 1.16 MANDATORY CONTRACTUAL TERMS

By submitting a Proposal in response to this RFP, an Offeror, if selected for award, shall be deemed to have accepted the terms of this RFP and the Contract, attached herein as **Attachment E**. Any exceptions to this RFP or the Contract must be clearly identified in the Executive Summary of the Technical Proposal. A Proposal that takes exception to these terms may be rejected.

#### 1.17 PROPOSAL AFFIDAVIT

A Proposal submitted by an Offeror must be accompanied by a completed Bid/Proposal Affidavit. A copy of this Affidavit is included as **Attachment C** of this RFP.

#### 1.18 CONFLICT OF INTEREST AFFIDAVIT AND DISCLOSURE

Offerors shall complete and sign the Conflict of Interest Affidavit and Disclosure (**Attachment D**) and submit it with their Proposal. All Offerors are advised that if a Contract is awarded as a result of this solicitation, the successful Contractor's personnel who perform or control work under this Contract and each of the participating subcontractor personnel who perform or control work under this

Contract shall be required to complete agreements substantially similar to **Attachment D** Conflict of Interest Affidavit and Disclosure. For policies and procedures applying specifically to Conflict of Interests, the Contract is governed by COMAR 21.05.08.08.

1.19 NON-DISCLOSURE AGREEMENT

All Offerors are advised that this solicitation and any resultant Contract(s) are subject to the terms of the Non-Disclosure Agreement (NDA) contained in this solicitation as **Attachment G**. This Agreement must be provided within five (5) business days of notification of proposed Contract award.

1.20 CONTRACT AFFIDAVIT

All Offerors are advised that if a Contract is awarded as a result of this RFP, the successful Offeror will be required to complete a Contract Affidavit. A copy of this Affidavit is included for informational purposes as **Attachment F** of this RFP. This Affidavit must be provided to the Procurement Officer within five (5) business days after notification of the proposed Award. This Contract Affidavit will also be required to be completed by the Contractor prior to any Contract renewals, including the exercise of any options or modifications that may extend the Contract term.

1.21 MINORITY BUSINESS ENTERPRISE NOTICE

**Minority Business Enterprises (MBEs) are encouraged to respond to this solicitation. Offerors who consider themselves to be minority contractors are encouraged to obtain certification from the Maryland Department of Transportation. A minimum certified Minority Business Enterprise subcontract participation goal has not been established for this procurement, but certified MBE subcontract participation may be considered in evaluating proposals under certain circumstances. Offerors are encouraged to utilize MBEs for any subcontracting opportunities that may arise. The Agency also encourages Offerors to include socially and economically disadvantaged individuals on the team responding to this solicitation, if applicable.**

1.22 CONTRACT TERM

The Contract for this project shall begin on or about November 2, 2015, and shall continue in effect until on or about April 29, 2016.

The Contract may be terminated at any time by the Agency upon written notice to the Contractor of such termination. Upon termination of the Contract, the Contractor shall cooperate with the Agency with respect to the transfer of any information in the possession of the Contractor.

### 1.23 VERIFICATION OF REGISTRATION AND TAX PAYMENT

Before a business entity can do business in the State it must be registered with the State Department of Assessments and Taxation (SDAT). SDAT is located at State Office Building, Room 803, 301 West Preston Street, Baltimore, Maryland 21201. The SDAT website is <http://www.dat.state.md.us/sdatweb/services.html> .

It is strongly recommended that any potential Offeror complete registration prior to the due date for receipt of Proposals. An Offeror's failure to complete registration with SDAT may disqualify an otherwise successful Offeror from final consideration and recommendation for Contract award.

### 1.24 OWNERSHIP OF MATERIAL

All Technical and Financial Proposals become the property of the System upon receipt and will not be returned to the Offerors.

### 1.25 COMPLIANCE WITH LAW

By submitting an offer in response to this RFP, the Offeror, if selected for an Award, agrees that it will comply with all Federal, State, and Local laws applicable to its activities and obligations under the Contract. By submitting an offer in response to this RFP, each Offeror represents that it is not in arrears in the payment of any obligations due and owing the State or any department or unit thereof, including but not limited to the payment of taxes and employee benefits, and if selected for an Award, that it shall not become so in arrears during the term of the Contract.

## **SECTION 2: OFFEROR'S MINIMUM QUALIFICATIONS**

Offerors must clearly state and demonstrate in the Executive Summary of the Technical Proposal that they satisfy the following qualifications.

Failure to satisfy the minimum qualifications may result in rejection of a Proposal and failure to maintain compliance with any of these qualifications during the term of the Contract may be considered an event of default. The Offeror must notify the Agency of the Offeror's non-compliance within ten calendar days of the precipitating event.

- 2.1 As of December 31, 2014, the Offeror must provide investment consulting services similar to those described in Section 3, Scope of Work, including asset allocation consulting services, to at least ten (10) public and/or private pension funds. At least three (3) of the ten must be public funds, and at least three (3) must be funds with greater than \$10 billion assets under management (AUM).
- 2.2 The Offeror must be registered as an investment advisor under the Investment Advisors Act of 1940 and must maintain such registration at all times during the term of the Contract (unless exempt and an explanation of the exemption is provided). The Offeror must provide copies of the most recent Form ADV, Parts I and II, with their response to this RFP.
- 2.3 The Offeror must be willing to act as a fiduciary to the System.
- 2.4 The Offeror must not be in bankruptcy, conservatorship, receivership, or in the possession of a regulatory agency.
- 2.5 The Offeror must agree to disclose annually all potential conflicts of interest and all sources of its revenue and affiliations.

**THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.**

## SECTION 3: SCOPE OF WORK

### 3.1 INTRODUCTION

The Maryland State Retirement and Pension System (System) provides statewide defined pension benefits for its members. The System is administered under Division II of the State Personnel and Pension Article of the Annotated Code of Maryland and Internal Revenue Code Section 401(a) by a 15-member Board of Trustees (Board). The System's stated goal is "to prudently invest System assets in a well-diversified manner to optimize long-term returns, while controlling risk through excellence in execution of the investment objectives and strategies of the System."

As of June 30, 2015, the System's assets were valued at \$45.8 billion and were allocated as follows: \$4.7 billion in domestic equities; \$5.1 billion in international equities; \$7.5 billion in global equities; \$5.9 billion in fixed income securities, \$6.0 billion in real return assets; \$3.4 billion in real estate assets, \$3.7 billion in private equity; \$4.5 billion in credit/debit strategies; \$4.9 billion in absolute return mandates, and \$227 million in cash. The System's Investment Policy Manual is included as **Attachment H** to this RFP.

For additional information including the System's Comprehensive Annual Financial Report, please refer to the Agency's website at [www.sra.maryland.gov](http://www.sra.maryland.gov).

### 3.2. GENERAL SCOPE OF WORK

Under the direction of the Chief Investment Officer, the Contractor shall provide the following services:

- A. Asset Allocation and Structural Analysis
  - a. Prepare and present an evaluation of the System's asset allocation policy and a written plan establishing investment objectives and target asset mix in the context of the System's actuarial assumed rate of return, taking into account the assets and liabilities of the System and appropriate risk levels as well as the asset allocation of comparable state pension funds and make recommendations, if any, for changes to the System's strategic asset allocation. This analysis should be based on the long-term market outlook, global economic trends and the current actuarial study performed by the System's actuary.
  - b. Conduct a formal asset allocation study in order to determine the strategic asset allocation targets and ranges, as well as changes to overall policy. The formal asset allocation study shall incorporate both the asset and the liability sides of the equation considering three competing liability-oriented objectives when making asset allocation determinations. The importance weightings assigned to each of these three objectives by the Board shall determine the risk profile of the System. The liability-oriented objectives are:

1. Achieve and maintain a fully funded pension plan.
2. Minimize contribution volatility year to year.
3. Achieve surplus assets.

These liability-oriented performance objectives recognize that liabilities must be paid in full and in a timely manner. The liabilities are the future claims of the System's participants. The actuarial rate of interest is used to discount the future value of the System's liabilities and to calculate the System's funded ratio.

B. Presentation of the Final Report

At the conclusion of the review, the Contractor shall deliver an electronic copy of its final report to the Chief Investment Officer on or before January 11, 2016. The Contractor shall present its final report and any recommendations to the Board at 120 East Baltimore Street, Baltimore, MD 21202, on January 19, 2016. The Contractor must prepare twenty (20) copies of the final report and any other briefing materials for the presentation meeting for distribution, along with any appropriate audiovisuals.

C. Public Relations

Support the Board through written and/or oral presentations at their meetings with legislative and executive branch staff and other parties as necessary. The Contractor shall join the Executive Director, Chief Investment Officer and other Board and/or System representatives to present the report to legislative and executive branch staff in Annapolis, Maryland. This meeting will likely be scheduled for late January 2016. The Contractor must prepare fifty (50) copies of the final report and any other briefing materials.

## **SECTION 4: REQUIREMENTS FOR PROPOSAL PREPARATION**

Following are the requirements to be met and a list of the information that must be provided by the Offeror. A Proposal that does not provide all of the information requested below to the System's satisfaction may be rejected. Please provide the information in the same order in which it is requested.

### **4.1 TWO PART SUBMISSION.**

Proposals must be submitted in TWO SEPARATE PARTS:

Volume I – TECHNICAL PROPOSAL, and  
Volume II – FINANCIAL PROPOSAL

Technical Proposals must be sealed separately from Financial Proposals but submitted simultaneously to the **Procurement Officer** (address listed on Key Information Summary Sheet). An unbound original, ten (10) printed copies, and one electronic copy of each Offeror's Proposal are to be submitted. Each Offeror is required to submit a separate sealed package for each type of Proposal, which is to be labeled Technical Proposal (Volume I) and Financial Proposal (Volume II). Each sealed package must bear the title of this RFP, the name and address of the Offeror, the volume number (I or II), and the closing date for receipt of the Proposals on the outside of the package.

An electronic version (CD or DVD) of the Technical Proposal in Microsoft Word format must be enclosed with the original Technical Proposal. An electronic version (CD or DVD) of the Financial Proposal in Microsoft Word or Microsoft Excel format must be enclosed with the original Financial Proposal. CD/DVDs must be labeled on the outside with the RFP title, name of the Offeror, and volume number. CD/DVDs must be packaged with the original copy of the appropriate Proposal (Technical or Financial).

**All pages of each Proposal volume must be consecutively numbered from beginning to end and shall follow the format requested.**

### **4.2 GENERAL PREPARATION INSTRUCTIONS**

The Offeror's Technical Proposal should address all points and questions outlined in this RFP except the price information. It should follow the format described below and be clear and precise in response to the information requested. All pages must be consecutively numbered, and should contain the following sections.



A. VOLUME I - TECHNICAL PROPOSAL

1. TITLE PAGE AND TABLE OF CONTENTS

The Technical Proposal should begin with a Title Page bearing the name and address of the Offeror and the name of this RFP. A Table of Contents shall follow the Title Page for the Technical Proposal, organized by section, subsection, and page number.

2. CLAIM OF CONFIDENTIALITY

Any information which is claimed to be confidential is to be noted by reference and included after the Title Page and before the Table of Contents, and if applicable, also in the Offeror's Financial Proposal. An explanation for each claim of confidentiality shall be included (see Section 1.14 "Public Information Act Notice"). The entire Proposal cannot be given a blanket confidentiality designation. Any confidentiality designation must apply to specific sections, pages, or portions of pages of the Proposal.

3. EXECUTIVE SUMMARY

An Executive Summary, prepared on the Offeror's letterhead and addressed to the Procurement Officer should be at the front of Volume I. It should precede the Transmittal Letter. The purpose of this letter is to summarize the Offeror's qualifications and the contents of the Technical Proposal. The summary shall also identify any exceptions the Offeror to this RFP or the Contract must be clearly identified in the Executive Summary. NOTE: Exceptions to terms and conditions may result in having the Proposal deemed unacceptable or classified as not reasonably susceptible of being selected for award.

If the Offeror has taken no exceptions to the requirements of this RFP, the Executive Summary shall so state.

4. TRANSMITTAL LETTER

A transmittal letter prepared on the Offeror's business stationery should accompany the original Technical Proposal. The purpose of this letter is to provide the Offeror's contact information and transmit the Proposal.

Acknowledgement of the receipt of addenda to this RFP issued after the Proposal due date shall be in the manner specified in the addendum notice.

The letter must contain the title and number of the RFP. It must be signed by an individual who is authorized to bind the firm to all statements, including services and prices, contained in the Proposal.

Acknowledgment of the receipt of all addenda to this RFP issued before the Proposal due date must accompany the Offeror's Proposal in the transmittal letter accompanying the Technical Proposal submittal.

The letter shall also contain the following:

- a. The Offeror's name, address, telephone and facsimile numbers, email address and website address.
- b. The Offeror's Federal Employer Identification Number.
- c. The name, title or position, e-mail address, telephone and facsimile numbers of the individual signing the cover letter.
- d. A statement indicating the signer is authorized to bind the Offeror contractually.
- e. The name, title or position, e-mail address, telephone and facsimile numbers of the primary contact and/or account administrator, if different from the individual signing the cover letter.
- f. A statement certifying that the Offeror is able and willing to provide the services described in Section 3 of this RFP.
- g. A statement certifying that the Offeror, if selected for award, accepts all of the terms, conditions, and requirements of the RFP, the terms and conditions of the Contract and Maryland law, including the State Finance and Procurement Article of the Annotated Code of Maryland; if any exceptions are taken, they are to be noted in the Executive Summary.
- h. A statement expressing the Offeror's availability of staff and other required resources for performing all services required.

5. STATEMENT OF MINIMUM OFFEROR QUALIFICATIONS

Each Offeror must prepare a Statement of Minimum Offeror Qualifications substantiating how the Offeror satisfies each of the minimum qualifications as described in Section 2 of this RFP. The statement must contain sufficient information to assure the System of its accuracy.

6. PROPOSAL QUESTIONNAIRE

Each Offeror must complete the Proposal Questionnaire in Attachment A. The information requested must be provided in the prescribed format. Responses that in the opinion of the Evaluation Committee materially deviate from the prescribed format may be rejected. All responses to the questionnaire will be subject to verification for accuracy. Proposals containing false or misleading

information may be rejected at the discretion of the Evaluation Committee.

7. REFERENCES

Each Offeror must provide a minimum of five (5) references, using the form provided in Attachment A, Item H, Form for References. At least three (3) references must be for clients of the Offeror who are public funds, and at least three (3) references must be for clients with greater than \$10 billion assets under management. References must be from customers of the Offeror who can be contacted to evaluate the performance of the Offeror. Each reference must include the client name, address and phone number, the primary contact's name, position phone number and e-mail address. A separate form must be used for each client organization named. The Agency may contact any of the clients named as references. The Agency reserves the right to request additional references or utilize references not provided by an Offeror.

8. FORMS TO BE COMPLETED AND SUBMITTED WITH TECHNICAL PROPOSAL

- a. Proposal Questionnaire (Attachment A to this RFP)
- b. Bid/Proposal Affidavit (Attachment C to this RFP)
- c. Conflict of Interest Affidavit (Attachment D to this RFP)

B. VOLUME II - FINANCIAL PROPOSAL

The Financial Proposal must contain all cost information for all services and products proposed to be supplied to the Agency by the Offeror in the format specified in Attachment B. All Financial Proposals shall be typewritten or written legibly in ink. The signer shall initial all erasures in ink. Any deviation from the prescribed format may result in the rejection of the Proposal.

All Financial Proposals shall be signed in ink as follows:

1. As an Individual – Sign with full name and address
2. As a Partnership – Partners shall sign with full names and business address
3. As a Corporation – An authorized officer of the corporation shall sign with full name and title and shall include the name and address of the corporation.

## **SECTION 5: EVALUATION AND SELECTION PROCEDURE**

Each Offeror submitting a Technical Proposal must assume full responsibility for meeting the requirements established. Any Offeror judged by the Procurement Officer not to be responsible or whose Technical Proposal is classified as not reasonably susceptible of being selected for award shall be so notified by the Procurement Officer, and their Financial Proposal will be returned unopened. The Procurement Officer may request additional technical assistance from any other source.

### **5.1. EVALUATION**

An Evaluation Committee established by the Agency will evaluate all Technical Proposals deemed reasonably susceptible of being selected for award by the Procurement Officer as defined below in Section 5.2. The Chief Investment Officer may request additional technical assistance from any other source.

### **5.2. CRITERIA FOR TECHNICAL EVALUATION**

The purpose of the Proposal evaluation process is twofold: (1) to assess the Proposals for compliance with the minimum qualifications, content, and format requirements; and (2) to identify the responsible Offerors that have the probability of satisfactorily performing the services described in Section 3, Scope of Work and listed below.

Each Evaluation Committee member will rank the Proposals according to these major criteria. The criteria to be used to evaluate each Technical Proposal are listed below in descending order of importance.

- A. General Scope of Work
  - Assess the Offeror's understanding of the services requested as summarized in Section 3.
- B. Depth, Experience and Diversity of Personnel
  - Assess the Offeror's ability to service account.
- C. Asset Allocation and Structural Analysis
  - Assess the Offeror's ability to provide Asset Allocation and Structural Analysis services as described in Section 3.2.A.
- D. Presentation of the Final Report
  - Assess the Offeror's ability to attend meetings as described in Section 3.2.B.
- E. Public Relations
  - Assess the Offeror's ability to provide public relations support as described in Section 3.2.C.

### 5.3. EVALUATION OF FINANCIAL PROPOSALS

Financial Proposals will be evaluated separately following the completion of the technical evaluations. The price evaluation shall be based upon the prices submitted by the Offeror on the Financial Proposal Form, **Attachment B**.

In the evaluation of the Technical and Financial Proposals, the results of the technical evaluation shall be given more weight than the results of the pricing evaluations.

### 5.4. SELECTION PROCESS

The first step in the process will be to assess compliance with the Offeror Minimum Qualifications set forth in Section 2 of this RFP. Offerors who fail to meet these basic requirements may be disqualified and their Proposals eliminated from further consideration.

The next step in the process will be to review the Technical Proposals for compliance with the Proposal format in Section 4 of this RFP and for any exceptions the Offeror has taken to the requirements of this RFP. **Offerors who take exceptions may be disqualified and their Proposals eliminated from further consideration.**

The next level of review will be an evaluation for technical merit. Offerors whose Technical Proposals are judged to be not reasonably susceptible of being selected for award will be disqualified at this point.

The Evaluation Committee will review each Technical Proposal reasonably susceptible of being selected for award and evaluate the Offeror's ability to provide the services requested. Each Evaluation Committee member will rank the proposals according to these major criteria on a basis of Good, Better or Best.

Those Offerors deemed most susceptible of being selected for award may be asked to provide an oral presentation of their respective Proposal to the Evaluation Committee, possibly on short notice. The Procurement Officer will schedule the time and location for this presentation. The oral presentation will assist the Evaluation Committee with its evaluation of the Contractor's Technical Proposal and to assure a full understanding of the System's requirements and the Offeror's ability to perform the requirements stated in this RFP.

Offerors must confirm in writing any substantive oral clarification of, or change in, their Proposals made in the course of discussions. Any such written clarification or change then becomes part of the Offeror's Proposal.

The separate Financial Proposal of each qualified Offeror will be distributed to the evaluation committee for analysis following the completion of the technical evaluation. After a review of the Financial Proposals of qualified Offerors, the Procurement Officer may conduct discussions.

In the evaluation of the Technical and Financial Proposals, the results of the technical evaluation shall be given more weight than the results of the pricing evaluations.

When in the best interest of the System, the Procurement Officer may permit Offerors who have submitted acceptable Proposals to revise their initial Proposals and submit, in writing, Best and Final Offers or BAFOs.

#### 5.5. DISCUSSIONS

The Agency may hold discussions with all Offerors judged reasonably susceptible of being selected for an Award. However, the Agency also reserves the right to make an award without holding discussions. In either case, holding discussions or not holding discussions, the Agency may determine an Offeror to be not responsible and/or not reasonably susceptible of being selected for an Award, at any time after the initial closing date of receipt of Offeror Proposals and the review of those Proposals. Financial Proposals of qualified Offerors will be opened only after the Technical Proposals have been evaluated.

During the technical evaluation phase, the Procurement Officer shall reserve the right to initiate discussions with Offerors. If discussions are held, all Offerors whose technical Proposals are classified as reasonably susceptible of being selected for award will be given an equal opportunity for discussion.

Each Offeror should be aware that the Agency can select a Proposal without first discussing the matter with the selected Offeror.

#### 5.6. BEST AND FINAL OFFERS

Following evaluation of the Technical Proposals, the Financial Proposals and discussions or negotiations, if any, the Evaluation Committee shall make a determination as to whether the submission of Best and Final Offers (BAFOs) by qualified Offerors would be in the best interest of the State and/or Agency.

If the Evaluation Committee finds that the submission of BAFOs would be in the best interest of the State and/or System, it shall recommend to the Procurement Officer that qualified Offerors submit BAFOs. If so authorized, the Procurement Officer shall then establish procedures and schedules for the submission of BAFOs. The Evaluation Committee may require more than one series of submissions of BAFOs and discussions.

5.7. FINAL EVALUATION AND RECOMMENDATION FOR AWARD

Following evaluation of the BAFOs, if any, the Evaluation Committee shall make a recommendation to the Chief Investment Officer for award of the Contract to the Offeror whose Proposal is determined to be the most advantageous to the State based on the results of the final technical and financial evaluations.

After the Chief Investment Officer has awarded the Contract, the selected Offeror shall submit to the Agency a fully executed Contract Affidavit. The System and the selected Offeror will proceed to negotiate and execute the Contract and any other required documentation.

**MARYLAND STATE RETIREMENT AGENCY  
REQUEST FOR PROPOSALS  
SPECIAL INVESTMENT CONSULTANT FOR  
ASSET ALLOCATION REVIEW PROJECT**

**ATTACHMENTS**

**The following attachments must be completed and returned with an Offeror's Proposal:**

- A. PROPOSAL QUESTIONNAIRE
- B. FINANCIAL PROPOSAL
- C. BID/PROPOSAL AFFIDAVIT
- D. CONFLICT OF INTEREST AFFIDAVIT AND DISCLOSURE

**The following attachments are required to be submitted by the recommended awardee within five (5) Business Days of receiving notification of recommendation for award.**

- F. CONTRACT
- G. CONTRACT AFFIDAVIT
- H. NON-DISCLOSURE AGREEMENT



**MARYLAND STATE RETIREMENT AGENCY  
REQUEST FOR PROPOSALS  
SPECIAL INVESTMENT CONSULTANT FOR  
ASSET ALLOCATION REVIEW PROJECT**

**ATTACHMENT A**

**PROPOSAL QUESTIONNAIRE**

**A. ORGANIZATION**

1. Provide a brief history of the Offeror, including its year of organization and the history of the Offeror's involvement in the investment consulting business.
2. Where is the Offeror headquartered? How many branch offices are there, and where are they located? Which office will provide the services requested by the System?
3. Describe the ownership structure of the Offeror, including any parent, affiliated companies or joint ventures, as well as the percentage owned by current employees.
4. How is employee participation in the Offeror's ownership determined? If ownership is not available, is there a specific arrangement for sharing in the profits earned by the Offeror? What specific incentives are employed to ensure that key professionals do not leave Offeror.
5. Describe any significant developments in the Offeror's organization that have occurred since January 1, 2010 (changes in ownership, personnel reorganization, etc.). Do you anticipate any significant changes in the organization in the next year?
6. Is the Offeror, its parent or an affiliate a registered investment advisor with the SEC under the Investment Advisers Act of 1940? If not, what is its fiduciary classification (as the term is defined by the Employee Retirement Income Security Act of 1974 [ERISA])?
7. How many years has the Offeror provided investment consulting services to public pension funds? What other services does the Offeror provide? Please provide a breakdown of revenue by line of business for the Offeror and any subsidiaries.
8. Describe the financial condition of the Offeror and include a copy of the Offeror's audited financial statement for the two most recent annual reporting periods.
9. Since January 1, 2010, has any officer or principal of the Offeror been involved in any litigation or other legal proceedings or any regulatory investigation relating to pension consulting activities? If so, provide a description, explanation, and indicate the current status.

10. Does the firm currently have outstanding litigation? If so, please discuss.
11. When was the last time the firm was audited by the SEC? Please provide a summary of SEC recommendations.

**B. INSURANCE AND LIABILITY**

Describe the levels of coverage for errors and omissions insurance and any other fiduciary or professional liability insurance the Offeror carries. Is the coverage on a per client basis, or is the dollar figure applied to the Offeror as a whole? List the insurance carriers supplying the coverage.

**C. CONFLICTS OF INTEREST**

1. Provide a copy of your Code of Ethics. Do the Offeror and its employees comply with the Code of Ethics and Standards of Professional Conduct of the CFA Institute?
2. Describe how conflicts of interest are managed, disclosed or prevented if the Offeror or its affiliates provides any of the services described in the previous question.
3. Describe any services the Offeror or any affiliate provides for investment management firms, fund-of-funds, or broker dealers. Does the Offeror hold conferences for investment managers?
4. List all investment management firms from which the Offeror or any affiliate has received any revenues since January 1, 2010.
5. Explain any potential conflict the Offeror may have in servicing the System’s account. (“Conflict” may include brokerage relationships, money management activities, fee relationships with investment managers, soft dollars, etc.) Describe the procedures in place that would mitigate or eliminate such potential conflicts of interest.

**D. CLIENT COVERAGE AND REFERENCES**

1. Using a table format similar to that below, what is the distribution of client assets? Provide the number and percentages of clients. Explain if the firm’s client base is heavily weighted to any particular type of investor.

Client Type	Number	Percentage of Assets
Public Pension Funds		
Corporate Pension Funds		
Endowments		
Other (Specify)		
TOTAL		

2. Provide a representative list of clients.
3. Provide a current list of the Offeror's 10 largest clients including name, contact, telephone number, asset values, number of years the client has retained the Offeror and the product or service(s) the client uses. These clients may be used as references as described in Section 4.2A. The Agency reserves the right to contact any of these clients as references.
4. Provide the number, name(s) and asset values of any of the Offeror's client relationships that were either terminated or not renewed in the last three years with reasons for the termination or non-renewal. The Agency reserves the right to contact any of these clients as references.
5. Provide a listing of clients by category (i.e. pension, corporate, etc.) gained / lost for the last 5 years.
6. Provide the number, name(s) and asset values of any of the Offeror's new client relationships gained in the last three years. The Agency reserves the right to contact any of these clients as references.
7. Provide the names of potential clients to which a proposal was submitted, were a finalist but not selected for the past 5 years.

**E. DEPTH, EXPERIENCE, AND DIVERSITY OF PERSONNEL**

1. Name and include a brief resume of the person(s) you propose to be Primary Consultant(s), for the System and state which of the Offeror's offices would service this account for which product.
2. List the number of the Offeror's employees with specific expertise in the areas listed below.

- \_\_\_\_\_ Asset Allocation, Strategic and Tactical
- \_\_\_\_\_ Actuarial Analysis
- \_\_\_\_\_ Economic Forecasting
- \_\_\_\_\_ Performance Attribution
- \_\_\_\_\_ Domestic Equity
- \_\_\_\_\_ Domestic Fixed Income
- \_\_\_\_\_ International/Global Equity
- \_\_\_\_\_ International/Global Fixed Income
- \_\_\_\_\_ Emerging Markets
- \_\_\_\_\_ US & International Derivatives (Futures, Options, Swaps)
- \_\_\_\_\_ Foreign Currency, Currency Overlay
- \_\_\_\_\_ Private Equity
- \_\_\_\_\_ Hedge Funds
- \_\_\_\_\_ Real Estate
- \_\_\_\_\_ Commodities
- \_\_\_\_\_ Timber
- \_\_\_\_\_ Infrastructure
- \_\_\_\_\_ Reporting

Provide an organizational chart showing functions, positions, and titles of all personnel involved in investment consulting services. Additionally, provide an organizational diversity workforce matrix.

3. Using a table format similar to that below, identify the principals of the Offeror and designate which individuals, including research and systems support personnel, will be committed to this project. Include the length of experience in investment consulting services, any level of expertise, the highest educational degree each has attained, and professional certifications.

Name	Title	Years With Firm	Consulting Experience	Education	Professional Certification

4. Provide a short resume for each of the individuals listed in the previous answer. Include a list of articles that may have been published by each individual in financial journals on topics related to the pension funds or issues otherwise related to institutional investing.
5. Explain how the team dedicated to the System’s account would function, including Primary Consultant(s), back up, quality control, research, and support services.
6. Provide an estimate of the percentage of the Primary Consultant’s time, as well as the time of other dedicated consultants, to the System’s account.
7. List the Primary Consultant’s current clients and engagements by asset size, type of client (e.g., public fund, corporate fund, endowment) and type of engagement (e.g., general consulting services, project-based service).
8. Describe the Offeror’s back-up procedures in the event the key personnel assigned to the System should leave the Offeror. If applicable, give an example of a situation where this procedure has been utilized.
9. What is the turnover of professional staff (senior management and consulting personnel) over the past five years? Please use a table format similar to that below:

Name	Position	Date Left	Reason for Leaving	Replaced By

**F. LIABILITY MODELING, ASSET ALLOCATION and STRUCTURE**

1. Describe the theory and methodology of the asset allocation models the Offeror employs. Discuss the Offeror’s views, capabilities and experience in the following concepts:

- a. Mean Variance Optimization
  - b. Risk Factor Asset Allocation
  - c. Risk Parity
  - d. Plan Level Leverage
  - e. Liquidity Requirements
  - f. Risk Budgeting
2. Describe the Offeror's definition of risk and strategies that have been recommended to mitigate risks. Explain the Offeror's views on currency hedging overlays and tail risk hedging strategies.
  3. Discuss the Offeror's process for analyzing a client's investment portfolio structure. Describe the process for recommending modifications to the portfolio structure as warranted by changes in the long-term expectations of asset markets. Provide examples of such recommendations made to clients and the underlying reasons.
  4. Discuss the Offeror's views on active vs. passive management and when it is appropriate to use each and how to determine the optimum mix. Discuss the Offeror's views on the following concepts:
    - a. Portable Alpha Strategies
    - b. Fundamental Indexing Strategies
    - c. Low Volatility Strategies
  5. Describe in detail the methods for determination of capital market assumptions.
    - a. How are risk, return, correlation and constraint assumptions determined for the asset allocation model? Please discuss the assumptions for each asset class included.
    - b. How often are the numbers updated?
    - c. How far forward are projections?
    - d. How do the assumptions differ from the market consensus? From the firms' competitors'?
  6. Discuss the Offeror's capabilities in performing scenario analysis. How are factors for scenario analysis determined? Provide an example.
  7. Which asset classes does the Offeror currently incorporate directly into the asset allocation model? How does the Offeror incorporate alternative assets - including real estate, private equity, hedge funds, commodities, infrastructure and timber?
  8. Describe the Offeror's methodology for incorporating liabilities into asset/liability studies. What are the Offeror's capabilities for analyzing the liabilities of a large public pension plan?

9. Describe the Offeror's experience in customizing asset/liability studies for individual clients discussing how often clients should update their asset/liability study.
10. What systems does the Offeror have, if any, that are accessible to clients so they can evaluate the impact of different scenarios (“what if?”) on their funded status?
11. What software/technology does the Offeror utilize to assist in asset/liability and asset allocation modeling?

**G. ADDITIONAL INFORMATION**

1. Does the offer have a business continuity plan in the event of disaster?
2. Does the Offeror use the services of a subcontractor? If so, what portions of the contract would be assigned to the subcontractor?
3.

Please attach a copy of the firm’s workforce diversity policy and documentation reflecting any minority business contract efforts.
4. How does the Offeror evaluate the quality of its consulting services? Describe any benchmarks the firm has developed to evaluate its performance and the performance of its Primary Consultants.
5. What is the Offeror’s competitive advantage in providing consulting services to the System? What unique attributes does the Offeror have that distinguish it from competitors in fulfillment of this assignment?
6. Provide performance data for the Offeror’s five largest clients with tenures of at least five years by providing the following data:
  - a. Net annualized investment returns over the five years ending 12/31/14
  - b. Target asset allocation at the start of the assignment
  - c. Actual asset allocation at the start of the assignment
  - d. Current target asset allocation
  - e. Current actual asset allocation
  - f. Five-year ranking in relevant peer universe
  - g. Explanation of how the Offeror has added value over the five-year period
  - h. Client type

**MARYLAND STATE RETIREMENT AGENCY  
REQUEST FOR PROPOSALS  
SPECIAL INVESTMENT CONSULTANT FOR  
ASSET ALLOCATION REVIEW PROJECT**

**H. FORM FOR REFERENCES**

Please use a separate form for each reference. The Agency may contact any of the clients named as references.

Client Name & Address
Contact Name & Title
Contact Phone Number & E-mail Address
Contract Term (Start & End Dates as applicable)
Nature of Services Provided

**MARYLAND STATE RETIREMENT AGENCY  
REQUEST FOR PROPOSALS  
SPECIAL INVESTMENT CONSULTANT FOR  
ASSET ALLOCATION REVIEW PROJECT**

**ATTACHMENT B**

**FINANCIAL PROPOSAL FORM**

In completing the Financial Proposal, Offerors must consider the requirements described in this RFP in SECTION 3, SCOPE OF WORK. The Financial Proposal must be submitted following the format provided on the following page.

Furthermore, Offerors should take into account the following:

Payment will be made in U.S. dollars only.

The contract for these services will commence on or about November 2, 2015 and end on April 30, 2016.



**MARYLAND STATE RETIREMENT AGENCY  
REQUEST FOR PROPOSALS  
SPECIAL INVESTMENT CONSULTANT FOR  
ASSET ALLOCATION REVIEW PROJECT**

**FINANCIAL PROPOSAL FORM**

---

Name of Offeror

Using the format provided below, please submit your price for all services described in Section 3, Scope of Work, as a fixed annual amount, for all services requested.

Total Proposed Price \$ \_\_\_\_\_

Price for Attendance at One Additional Meeting in Maryland (if requested by Contract Monitor) \$ \_\_\_\_\_

Submitted By:

\_\_\_\_\_  
Offeror's Authorized Signature

\_\_\_\_\_  
Date

Print Name and Title: \_\_\_\_\_

**MARYLAND STATE RETIREMENT AGENCY**  
**REQUEST FOR PROPOSALS**  
**SPECIAL INVESTMENT CONSULTANT FOR**  
**ASSET ALLOCATION REVIEW PROJECT**

**ATTACHMENT C**

**BID/PROPOSAL AFFIDAVIT**

(To be completed by Offeror and submitted with the Technical Proposal.)

**A. AUTHORITY**

I hereby affirm that I, \_\_\_\_\_ (name of affiant) am the \_\_\_\_\_ (title) and duly authorized representative of \_\_\_\_\_ (name of business entity) and that I possess the legal authority to make this affidavit on behalf of the business for which I am acting.

**B. CERTIFICATION REGARDING MINORITY BUSINESS ENTERPRISES.**

The undersigned Bidder/Offeror hereby certifies and agrees that it has fully complied with the State Minority Business Enterprise Law, State Finance and Procurement Article, § 14-308(a)(2), Annotated Code of Maryland, which provides that, except as otherwise provided by law, a contractor may not identify a certified minority business enterprise in a Bid/Proposal and:

- (1) Fail to request, receive, or otherwise obtain authorization from the certified minority business enterprise to identify the certified minority Proposal;
- (2) Fail to notify the certified minority business enterprise before execution of the contract of its inclusion in the Bid/Proposal;
- (3) Fail to use the certified minority business enterprise in the performance of the contract; or
- (4) Pay the certified minority business enterprise solely for the use of its name in the Bid/Proposal.

Without limiting any other provision of the solicitation on this project, it is understood that if the certification is false, such false certification constitutes grounds for the State to reject the Bid/Proposal submitted by the Bidder/Offeror on this project, and terminate any contract awarded based on the Bid/Proposal.

**C. AFFIRMATION REGARDING BRIBERY CONVICTIONS**

**I FURTHER AFFIRM THAT:**

Neither I, nor to the best of my knowledge, information, and belief, the above business (as is defined in Section 16-101(b) of the State Finance and Procurement Article of the Annotated Code of Maryland), or any of its officers, directors, partners, controlling stockholders, or any of its employees directly involved in the business's contracting activities including obtaining or performing contracts with public bodies has been convicted of, or has had probation before judgment imposed pursuant to Criminal Procedure Article, § 6-220, Annotated Code of Maryland, or has pleaded nolo contendere to a charge of, bribery, attempted

bribery, or conspiracy to bribe in violation of Maryland law, or of the law of any other state or federal law, except as follows (indicate the reasons why the affirmation cannot be given and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or disposition, the name(s) of person(s) involved, and their current positions and responsibilities with the business):

---

---

---

#### D. AFFIRMATION REGARDING OTHER CONVICTIONS

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, or any of its officers, directors, partners, controlling stockholders, or any of its employees directly involved in the business's contracting activities including obtaining or performing contracts with public bodies, has:

(1) Been convicted under state or federal statute of:

(a) A criminal offense incident to obtaining, attempting to obtain, or performing a public or private contract; or

(b) Fraud, embezzlement, theft, forgery, falsification or destruction of records or receiving stolen property;

(2) Been convicted of any criminal violation of a state or federal antitrust statute;

(3) Been convicted under the provisions of Title 18 of the United States Code for violation of the Racketeer Influenced and Corrupt Organization Act, 18 U.S.C. § 1961 et seq., or the Mail Fraud Act, 18 U.S.C. § 1341 et seq., for acts in connection with the submission of Bids/Proposals for a public or private contract;

(4) Been convicted of a violation of the State Minority Business Enterprise Law, § 14-308 of the State Finance and Procurement Article of the Annotated Code of Maryland;

(5) Been convicted of a violation of § 11-205.1 of the State Finance and Procurement Article of the Annotated Code of Maryland;

(6) Been convicted of conspiracy to commit any act or omission that would constitute grounds for conviction or liability under any law or statute described in subsections (1)—(5) above;

(7) Been found civilly liable under a state or federal antitrust statute for acts or omissions in connection with the submission of Bids/Proposals for a public or private contract;

(8) Been found in a final adjudicated decision to have violated the Commercial Nondiscrimination Policy under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland with regard to a public or private contract; or

(9) Admitted in writing or under oath, during the course of an official investigation or other proceedings, acts or omissions that would constitute grounds for conviction or liability under any law or statute described in §§ B and C and subsections D(1)—(8) above, except as follows (indicate reasons why the affirmations cannot be given, and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or disposition, the name(s) of the person(s) involved and their current positions and responsibilities with the business, and the status of any debarment):

---

---

---

#### E. AFFIRMATION REGARDING DEBARMENT

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, or any of its officers, directors, partners, controlling stockholders, or any of its employees directly involved in the business's contracting activities, including obtaining or performing contracts with public bodies, has ever been suspended or debarred (including being issued a limited denial of participation) by any public entity, except as follows (list each debarment or suspension providing the dates of the suspension or debarment, the name of the public entity and the status of the proceedings, the name(s) of the person(s) involved and their current positions and responsibilities with the business, the grounds of the debarment or suspension, and the details of each person's involvement in any activity that formed the grounds of the debarment or suspension).

---

---

---

#### F. AFFIRMATION REGARDING DEBARMENT OF RELATED ENTITIES

I FURTHER AFFIRM THAT:

(1) The business was not established and it does not operate in a manner designed to evade the application of or defeat the purpose of debarment pursuant to Sections 16-101, et seq., of the State Finance and Procurement Article of the Annotated Code of Maryland; and

(2) The business is not a successor, assignee, subsidiary, or affiliate of a suspended or debarred business, except as follows (you must indicate the reasons why the affirmations cannot be given without qualification):

---

---

---

G. SUBCONTRACT AFFIRMATION

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, has knowingly entered into a contract with a public body under which a person debarred or suspended under Title 16 of the State Finance and Procurement Article of the Annotated Code of Maryland will provide, directly or indirectly, supplies, services, architectural services, construction related services, leases of real property, or construction.

H. AFFIRMATION REGARDING COLLUSION

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business has:

- (1) Agreed, conspired, connived, or colluded to produce a deceptive show of competition in the compilation of the accompanying Bid/Proposal that is being submitted;
- (2) In any manner, directly or indirectly, entered into any agreement of any kind to fix the Bid/Proposal price of the Bidder/Offeror or of any competitor, or otherwise taken any action in restraint of free competitive bidding in connection with the contract for which the accompanying Bid/Proposal is submitted.

I. CERTIFICATION OF TAX PAYMENT

I FURTHER AFFIRM THAT:

Except as validly contested, the business has paid, or has arranged for payment of, all taxes due the State of Maryland and has filed all required returns and reports with the Comptroller of the Treasury, the State Department of Assessments and Taxation, and the Department of Labor, Licensing, and Regulation, as applicable, and will have paid all withholding taxes due the State of Maryland prior to final settlement.

J. CONTINGENT FEES

I FURTHER AFFIRM THAT:

The business has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee, bona fide agent, bona fide salesperson, or commercial selling agency working for the business, to solicit or secure the Contract, and that the business has not paid or agreed to pay any person, partnership, corporation, or other entity, other than a bona fide employee, bona fide agent, bona fide salesperson, or commercial selling agency, any fee or any other consideration contingent on the making of the Contract.

**K. CERTIFICATION REGARDING INVESTMENTS IN IRAN**

(1) The undersigned certifies that, in accordance with State Finance and Procurement Article, §17-705, Annotated Code of Maryland:

(a) It is not identified on the list created by the Board of Public Works as a person engaging in investment activities in Iran as described in State Finance and Procurement Article, §17-702, Annotated Code of Maryland; and

(b) It is not engaging in investment activities in Iran as described in State Finance and Procurement Article, §17-702, Annotated Code of Maryland.

2. The undersigned is unable to make the above certification regarding its investment activities in Iran due to the following activities: \_\_\_\_\_

**L. CONFLICT MINERALS ORIGINATED IN THE DEMOCRATIC REPUBLIC OF CONGO (FOR SUPPLIES AND SERVICES CONTRACTS)**

**I FURTHER AFFIRM THAT:**

The business has complied with the provisions of State Finance and Procurement Article, §14-413, Annotated Code of Maryland governing proper disclosure of certain information regarding conflict minerals originating in the Democratic Republic of Congo or its neighboring countries as required by federal law.

**M. ACKNOWLEDGEMENT**

I ACKNOWLEDGE THAT this Affidavit is to be furnished to the Procurement Officer and may be distributed to units of: (1) the State of Maryland; (2) counties or other subdivisions of the State of Maryland; (3) other states; and (4) the federal government. I further acknowledge that this Affidavit is subject to applicable laws of the United States and the State of Maryland, both criminal and civil, and that nothing in this Affidavit or any contract resulting from the submission of this Bid/Proposal shall be construed to supersede, amend, modify or waive, on behalf of the State of Maryland, or any unit of the State of Maryland having jurisdiction, the exercise of any statutory right or remedy conferred by the Constitution and the laws of Maryland with respect to any misrepresentation made or any violation of the obligations, terms and covenants undertaken by the above business with respect to (1) this Affidavit, (2) the contract, and (3) other Affidavits comprising part of the contract.

**I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.**

Date: \_\_\_\_\_

By: \_\_\_\_\_ (print name of Authorized Representative and Affiant)

\_\_\_\_\_ (signature of Authorized Representative and Affiant)

**MARYLAND STATE RETIREMENT AGENCY  
REQUEST FOR PROPOSALS  
SPECIAL INVESTMENT CONSULTANT FOR  
ASSET ALLOCATION REVIEW PROJECT**

**ATTACHMENT D**

**CONFLICT OF INTEREST AFFIDAVIT AND DISCLOSURE**

(To be completed by Offeror and submitted with the Technical Proposal.)

- A. "Conflict of interest" means that because of other activities or relationships with other persons, a person is unable or potentially unable to render impartial assistance or advice to the State, or the person's objectivity in performing the Contract work is or might be otherwise impaired, or a person has an unfair competitive advantage.
- B. "Person" has the meaning stated in COMAR 21.01.02.01B(64) and includes a bidder, offeror, contractor, consultant, or subcontractor or subconsultant at any tier, and also includes an employee or agent of any of them if the employee or agent has or will have the authority to control or supervise all or a portion of the work for which a bid or offer is made.
- C. The bidder or offeror warrants that, except as disclosed in §D, below, there are no relevant facts or circumstances now giving rise or which could, in the future, give rise to a conflict of interest.
- D. The following facts or circumstances give rise or could in the future give rise to a conflict of interest (explain detail—attach additional sheets if necessary):
- E. The bidder or offeror agrees that if an actual or potential conflict of interest arises after the date of this affidavit, the bidder or offeror shall immediately make a full disclosure in writing to the procurement officer of all relevant facts and circumstances. This disclosure shall include a description of actions which the bidder or offeror has taken and proposes to take to avoid, mitigate, or neutralize the actual or potential conflict of interest. If the Contract has been awarded and performance of the Contract has begun, the contractor shall continue performance until notified by the procurement officer of any contrary action to be taken.

**I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.**

Date: \_\_\_\_\_ By: \_\_\_\_\_  
Authorized Representative and Affiant)

**MARYLAND STATE RETIREMENT AGENCY  
REQUEST FOR PROPOSALS  
SPECIAL INVESTMENT CONSULTANT FOR  
ASSET ALLOCATION REVIEW PROJECT**

**ATTACHMENT E**

**SPECIAL INVESTMENT CONSULTANT SERVICES CONTRACT**

This Special Investment Consultant for Asset Allocation Review Project Services Contract (the "Contract") is made as of the \_\_\_\_\_ day of \_\_\_\_\_, 2015, by and between the MARYLAND STATE RETIREMENT AGENCY (the "Agency") FOR THE USE OF THE BOARD OF TRUSTEES FOR THE MARYLAND STATE RETIREMENT AND PENSION SYSTEM (collectively, the "System"), and [ ] (the "Contractor").

**WITNESSETH:**

In consideration of the mutual covenants and promises herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the System and the Contractor agree as follows.

**1. Definitions.**

In this Contract, the following words have the meanings indicated:

- 1.1 "Agency" means the Maryland State Retirement Agency.
- 1.2 "Board" means the Board of Trustees for the Maryland State Retirement and Pension System.
- 1.3 "Contract" means this contract for special investment consultant for asset allocation review project services.
- 1.4 "Contract Manager" means the Chief Investment Officer of the Agency, his or her designee, or a successor designated by the System.
- 1.5 "Contractor" means [ ] whose principal business address is [ ].
- 1.6 "Financial Proposal" means the Contractor's Financial Proposal that was submitted in response to the RFP, originally on [ ], [but was replaced by the Contractor's [ ] best and final offer].
- 1.7 "Proposal" means both the Contractor's Technical Proposal and Financial Proposal.



1.8 “RFP” means the Request for Proposals for Special Investment Consultant for Asset Allocation Review Project for the Maryland State Retirement Agency, dated August 27, 2015] [and amended by \_\_\_\_\_ on \_\_\_\_\_, 2015].

1.9 “State” means the State of Maryland.

1.10 “System” means the Maryland State Retirement and Pension System.

1.11 “Technical Proposal” means the Contractor’s Technical Proposal, dated [ ], 2015, submitted in response to the RFP, [and amended on \_\_\_\_\_, 2015].

1.12 “Treasurer” means the Maryland State Treasurer’s Office.

## **2. Scope of Work.**

The Contractor agrees to provide the special investment consulting for asset allocation review project services set forth in **Exhibit A** to the Agency, the System and the Board. Unless otherwise directed, all communications with and deliverables shall be directed through the Contract Manager.

## **3. Term; Termination.**

3.1. Term. Unless sooner terminated in accordance with the provisions of this Contract, the term of this Contract shall be the six (6) month period beginning November 2, 2015 and ending April 29, 2016.

3.2. Termination. This Contract may be terminated at any time by the System upon written notice to the Contractor of such termination Any termination of this Contract shall be without payment of any penalty by the System. Upon termination of this Contract, all finished or unfinished work provided by the Contractor shall, at the System’s option, become the System’s property. The System shall pay the Contractor fair and equitable compensation for satisfactory performance prior to receipt of notice of termination, subject to reduction in accordance with Section 4.3 of this Contract. Upon termination of this Contract, the Contractor shall cooperate with the System with respect to the transfer of documents and information to the System or its designee. From and after the effective date of termination of this Contract, the Contractor shall not be entitled to compensation for further services hereunder. Upon termination, the Contractor shall forthwith deliver to the Contract Manager all documents belonging to, or relating to, the Agency and this Contract then in custody of the Contractor, and otherwise cooperate with the Agency with respect to the transition and winding down of services.

**4. Compensation.** The Contractor shall be entitled to compensation for its services provided, and expenses incurred, in the amount of \$ \_\_\_\_\_. Additionally, if required by the Contract Monitor to attend one additional meeting in Maryland, the Contractor shall be entitled to compensation, and expenses incurred, in the amount of \$\_\_\_\_\_.

In accordance with the State of Maryland's Budget Reconciliation and Financing Act of 2015, external sources including the Maryland State Treasurer will cover the cost of this Contract.

The Contractor shall not be entitled to separate expense reimbursement.

4.2 Pursuant to a special arrangement between the System [external sources including the Treasurer], [external sources including the Treasurer shall pay all invoices in connection with this Contract. Invoices must be submitted in a format satisfactory to the System. Payments to the Contractor pursuant to this Contract shall be made no later than 30 days after the System's receipt of a proper invoice from the Contractor. Charges for late payment of invoices, other than as prescribed by Title 15, Subtitle 1, of the State Finance and Procurement Article, Annotated Code of Maryland, as from time to time amended, are prohibited. The final payment under this Contract will not be made until after certification is received from the Comptroller of the State of Maryland that all taxes have been paid.

4.3 In addition to any other available remedies, if in the opinion of the System, the Contractor fails to perform in a satisfactory and timely manner, the System may refuse or limit approval of any invoice for payment, and may cause payments to the Contractor to be reduced or withheld until such time as the Contractor meets performance standards as established by the System in accordance Contract. The final payment will not be made until after certification is received from the Comptroller of the State of Maryland that all taxes have been paid.

4.4 The System may deduct from and set off against any amounts due and payable to the Contractor any back-charges, penalties, or damages sustained by the System, by virtue of any breach of the Contract by Contractor. Nothing herein shall be construed to relieve the Contractor of liability for additional costs resulting from a failure to satisfactorily perform the services.

## **5. Representations, Warranties, Covenants, Acknowledgments and Agreements of the Contractor.**

5.1. Qualification of Contractor. The Contractor warrants that it is registered as an investment advisor with the SEC under the Investment Advisors Act of 1940 and that it is registered or exempt from registration under Title 11 of the Corporation and Associations Article of the Annotated Code of Maryland. [Note: Insert the following if applicable: The Contractor is also authorized and regulated in the conduct of "regulated activities" (as defined in the Financial Services and Markets Act 2000 (FSMA)) in the United Kingdom by the Financial Services Authority (FSA).] The Contractor shall obtain, at its expense, all licenses, permits, insurance, and governmental approvals, if any, necessary to the performance of its obligations under this Contract.

5.2. Fiduciary Status with respect to the System. The Contractor acknowledges that it is a fiduciary (as that term is defined in section 3(21) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")), with respect to the System and in

regard to the services which it will provide under this Contract. The Contractor accepts its appointment as such fiduciary, and specifically agrees to perform its duties with respect to the System with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims. The Contractor agrees to discharge its duties with respect to the System (i) solely in the interest of the participants of the Maryland State Retirement and Pension System and (ii) otherwise in accordance with the terms of this Contract.

5.3. Other Representations, Warranties and Covenants of the Contractor. The Contractor hereby represents, warrants and covenants to the System as follows:

5.3.1 The Contractor is qualified to do business in the State of Maryland and that it will take such action as, from time to time hereafter, may be necessary to remain so qualified.

5.3.2 The Contractor is not in arrears with respect to the payment of any monies due and owing the State of Maryland, or any department or unit thereof, including, but not limited to, the payment of taxes and employee benefits, and that it shall not become so in arrears during the term of this Contract.

5.3.3 The Contractor will comply with all requirements which any federal, state, local, foreign or international law or regulation may impose with respect to the subject matter of or transactions contemplated by this Contract ("Legal Requirements") and will promptly cooperate with and furnish information to the System regarding such Legal Requirements.

5.3.4 The Contractor shall refrain from transactions in which it may have a conflicting material interest (direct or indirect) without prior written consent from the System.

5.3.5 All services which the Contractor provides hereunder shall meet the requirements and standards set forth in the Contract (including any Exhibits and attachments). At the Contract Manager's request, the Contractor shall promptly correct any errors or omissions in the provision of such services.

5.3.6 No gratuities in the form of gifts, entertainment or otherwise, have been or will be offered or given to any officer, fiduciary or employee of the Maryland State Retirement Agency ("Agency") or the System or the Treasurer or the State of Maryland with a view toward securing any favorable treatment concerning the performance and/or continuation of this Contract. If the System finds that the Contractor has offered or given such gratuities, the System may terminate this Contract at any time upon written notice. Except for the compensation provided for in this Contract, the Contractor agrees that neither it nor any of its employees or agents shall receive any remuneration or take any action to receive any remuneration, of any type, nature or description whatsoever in connection with the investment of the assets of the Maryland State Retirement and Pension

System. This Contract shall not restrict the Contractor from pursuing any other engagement so long as such engagement does not prevent the Contractor from adequately and timely performing the services provided for in, and contemplated by, this Contract.

5.3.7 The Contractor shall not engage, directly or indirectly, in any financial or other transaction with any trustee, staff member, or employee of the Agency, the Treasurer or the System which would violate standards in the Maryland Public Ethics Law, Annotated Code of Maryland, State Government Article Section 15-501 et seq. and any successor statute thereto.

5.3.8 The Contractor shall promptly, and in any case within five (5) calendar days, notify the System in writing if: (1) there is any material change in the management personnel of the Contractor or the professional personnel actively involved in rendering services hereunder; (2) any material change in ownership or control of the Contractor, or (3) any other material change in the business organization of the Contractor, including, but not limited to, the filing for bankruptcy relief.

5.3.9 The Contractor shall annually provide the System with copies of its audited financial statements, including its balance sheet, income statement and statement of cash flow, within fifteen (15) days after such financial statements become available.

5.3.10 To the extent permitted by applicable law, the Contractor shall promptly advise the System in writing of any extraordinary investigation, examination, complaint, disciplinary action or other proceeding in the twenty-four (24) preceding months relating to or affecting the Contractor's ability to perform its duties under this Contract or involving any investment professional employed by the Contractor, which is commenced by any of the following: the U.S. Securities and Exchange Commission; the New York Stock Exchange; the American Stock Exchange; the Financial Industry Regulatory Authority (FINRA); the Financial Services Authority (FSA); any Attorney General or any regulatory agency of any state of the United States; any U.S. Government department or agency, or any governmental agency regulating securities of any country in which the Contractor is doing business. Except as otherwise required by law, the System shall maintain the confidentiality of all such information until the investigating entity makes the information public.

5.3.11 The personnel and agents of the Contractor responsible for discharging the Contractor's duties and obligations under this Contract are and will be individuals experienced in the performance of the various functions contemplated by this Contract. None of such individuals has been convicted of any felony, found liable in a civil or administrative proceeding, pleaded no contest, or agreed to any consent decree with respect to any matter involving breach of trust, breach of fiduciary duty, fraud, violations of any federal or state securities law or the FINRA Code of Conduct, or bankruptcy law violations. The Contractor shall immediately notify the System if this representation and warranty is no longer accurate.

5.3.12 The Contractor does not and shall not knowingly employ in any capacity: (1) any employee of the State of Maryland or a unit thereof, or a fiduciary of the System, who (x) could influence the award of this Contract or any competing assignment, or (y) does or will have any direct or indirect financial interest in this Contract, or (z) performs duties relating to or affecting the subject matter of this Contract ("Interested Person"), or (2) any spouse or economic dependent of any Interested Person

5.3.13 Neither any representation, warranty, covenant or acknowledgment contained in this Contract nor any written statement, certificate, or document furnished or to be furnished to the System by or on behalf of the Contractor pursuant to this Contract contains or will contain any misstatement of a material fact or omits or will omit to state a material fact necessary to make the statements contained herein or therein not misleading.

5.4. All of the representations, warranties, covenants, acknowledgments and agreements set forth in the Contractor's Contract Affidavit, a copy of which is attached hereto as **Exhibit D**, are incorporated by reference herein and made a part hereof.

5.5. All of the representations, warranties, covenants, acknowledgments and agreements set forth in the Contractor's Conflict of Interest Affidavit and Disclosure, a copy of which is attached hereto as **Exhibit C**, remain true and complete as of the date of this Contract, are incorporated by reference herein and made a part hereof.

5.6. The Contractor:

5.6.1 acknowledges that it (A) has received copies of (i) the System's Investment Policy Manual (the "Manual"), and (ii) Annotated Code of Md., State Personnel and Pensions Art., Sections 21-116, 21-122 and 21-123.

5.6.2 agrees that, in providing services hereunder, it will comply with all of the guidelines and restrictions set forth in the documents referenced in Section 5.6.1 above, as amended from time to time.

5.7. Reliance by the System. The Contractor acknowledges and understands that the continuing truth and accuracy of the representations, warranties, covenants, acknowledgements and agreements by the Contractor referenced in this Contract shall be relied upon by the System during the term of this Contract. The Contractor shall notify the System in the event that any of the representations, warranties, covenants, acknowledgements and agreements shall cease to be true and correct during the term of the Contract by delivering written notice to the System no later than three (3) business days after the representation, warranty, covenant, acknowledgement or agreement ceases to be true and correct. Upon receipt of notice, or if the Contractor fails to comply with its representations, warranties, covenants, acknowledgements or agreements hereunder, the System shall have the following options: (i) grant the Contractor a reasonable period of time within which to take such actions as may be necessary to perform

or otherwise cure the violation of such representation, warranty, covenant, acknowledgement or agreement; (ii) resort to any other rights and remedies available to the System under applicable law; or (iii) terminate the Contractor in accordance with Section 3.2 of this Contract.

**6. Insurance Requirements.** The Contractor shall obtain and maintain in full force and effect insurance of the types and amounts specified in this Section 6. The Contractor shall provide prompt written notification should such coverage be canceled or modified, and in any event shall maintain insurance which meets the following minimum standards:

6.1 Directors and Officers liability insurance coverage of at least [ ] Dollars (\$\_\_\_\_\_);

6.2 Investment Adviser Professional Indemnity Insurance or similar policy covering actions taken by the Contractor, its agents, employees and subcontractors arising from the services which the Contractor provides pursuant to this Contract. Such policy shall have a per-occurrence limit of at least [ ] Dollars (\$\_\_\_\_\_ ) and an annual aggregate of at least [ ] Dollars (\$\_\_\_\_\_).

6.3 The Contractor warrants that it carries adequate workers' compensation and other insurance as required by State and federal law, and shall maintain such insurance at levels acceptable to the System in full force and effect during the term of this Contract. The Contractor agrees to furnish satisfactory evidence of this insurance coverage to the System upon request.

**7. Confidentiality and Publicity.**

7.1 Subject to the Maryland Public Information Act and any other applicable laws, all confidential or proprietary information and documentation relating to either party (including without limitation, any all data and materials of whatsoever nature furnished to the Contractor by the System for use under this Contract and data stored within the Contractor's computer systems) shall be held in absolute confidence by the other party. Each party shall, however, be permitted to disclose relevant confidential information to its officers, agents and employees to the extent that such disclosure is contemplated by this Contract or necessary for the performance of their duties under this Contract, provided the data may be collected, used, disclosed, stored and disseminated only as provided by and consistent with the law. The provisions of this section shall not apply to information that (a) is lawfully in the public domain; (b) has been independently developed by the other party without violation of this Contract; (c) was already in the possession of such party; or (d) was supplied to such party by a third party lawfully in possession thereof and legally permitted to further disclose the information; or (e) which such party is required to disclose by law.

7.2 The Contractor agrees that all reports, studies, analyses, specifications, recommendations and all other materials of whatsoever nature, prepared by the Contractor for use under this Contract or furnished to the Contractor by the System for use under this

Contract, are to be considered confidential, and that the Contractor will neither release, publish, circulate nor use any of the foregoing except in the performance of its work under this Contract.

7.3 No press release or other dissemination of information to the media, or response to requests for information from the media, relating to the work performed by the Contractor hereunder or the transactions contemplated hereby, shall be issued by the Contractor without the prior written approval of the System; provided, however, that the Contractor may include the System's name on client lists maintained by the Contractor and made available to third parties. The Contractor further undertakes not to release any materials to third parties without the Agency's prior permission.

7.4 A copy of the Non-Disclosure Agreement is included as **Exhibit F** of this Contract and is incorporated herein by this reference.

7.5 The provisions of this Section 7.8 shall survive the termination of this Contract.

## **8. File backup; disaster recovery.**

The Contractor agrees to regularly perform critical file backups, rotate backup to offsite storage locations on a regular basis and maintain and update its disaster recovery plan. The Contractor agrees to supply the System with a copy of its disaster recovery plan, and inform the System of any material changes to its disaster recovery plan.

## **9. Liability for Loss of Data.**

In the event of loss of any data or records necessary for the performance of the Contract where such loss is due to the error or negligence of the Contractor, the Contractor shall be responsible, irrespective of cost to the Contractor, for recreating such lost data or records.

## **10. Patents, Copyrights, Intellectual Property**

10.1 If the Contractor furnishes any design, device, material, process, or other item, which is covered by a patent or copyright or which is proprietary to or a trade secret of another, the Contractor shall obtain the necessary permission or license to permit the System to use such item or items.

10.2 Contractor agrees to defend, indemnify and hold harmless the System (including its agents, officers and employees) from and against any action at law or in equity based on a claim alleging that the Service, or any component thereof, infringes a U.S. patent, copyright, or trade secret of any third party, and Contractor shall indemnify the System against all costs, expenses and damages arising from any such action; provided, however, that (i) the System shall have given Contractor prompt written notice of such action, with the understanding that the System's failure to give reasonably timely notice shall not relieve the Contractor of any obligation hereunder except and to the

extent that such failure prejudices the Contractor's ability to defend against such claim;  
(ii) The System shall cooperate with Contractor in the defense and settlement thereof and  
(iii) Contractor shall have control of the defense of such action and any settlement or compromise thereof..

10.3 If any products furnished by the Contractor become, or in the Contractor's opinion are likely to become, the subject of a claim of infringement, the Contractor shall, after consultation with the System and at the Contractor's own expense: (a) procure for the System the right to continue using the applicable item, (b) replace the produce with a non-fringing product that, in the System's view, substantially complies with the item's specifications, or (c) modify the item so that it becomes non-infringing and, in the System's view, performs in a substantially similar manner to the original item.

10.4 In connection with Services provided under this Contract, the Contractor may create, acquire or otherwise have rights in, and may, employ, provide, create, acquire or otherwise obtain rights in various concepts, ideas, methods, methodologies, procedures, processes, know-how, techniques, models, templates and general purpose consulting and software tools, utilities and routines (collectively, the "Contractor's Technology"). The Contractor grants the System a worldwide, personal, non-exclusive, not-transferable and revocable license to use the Contractor's Technology and related products and technical support in accordance with and subject to the terms of this Contract.

10.5 The Contractor shall not acquire any right, title and interest in and to the copyrights for goods, any and all software, technical information, specifications, drawings, records, documentation, data or derivative works thereof, or other work products provided by the System to the Contractor. For purposes of this Contract, the System may, in its sole discretion, elect to grant the Contractor a worldwide, perpetual, non-exclusive license, for which the System may require compensation, perhaps in the form of a royalty, for the Contractor's internal use to non-confidential Contract deliverables first originated and prepared by the Contractor for delivery to the System.

10.6 The provisions of this Section 10 shall survive the termination of this Contract.

## **11. Rights to Records**

11.1 The Contractor agrees that all documents and materials including, but not limited to, software, reports, drawings, studies, specifications, estimates, tests, maps, photographs, designs, graphics, mechanical, artwork, computations, and data prepared by the Contractor for purposes of this Contract shall be the sole property of the Agency and shall be available to the Agency at any time. The Agency shall have the right to use the same without restriction and without compensation to the Contractor other than that specifically provided by this Contract.

11.2 The Contractor agrees that at all times during the term of this Contract and thereafter, works created as a deliverable under this Contract, and services performed under



this Contract shall be “works made for hire” as that term is interpreted under U.S. copyright law. To the extent that any products created as a deliverable under this Contract are not works made for hire for the Agency, the Contractor hereby relinquishes, transfers, and assigns to the Agency all of its rights, title, and interest (including all intellectual property rights) to all such products created under this Contract, and will cooperate reasonably with the Agency in effectuating and registering any necessary assignments.

11.3 The Contractor shall report to the Contract Manager, promptly and in written detail, each notice or claim of copyright infringement received by the Contractor with respect to all data delivered under this Contract.

11.4 The Contractor shall not affix any restrictive markings upon any data, documentation, or other materials provided to the Agency hereunder and if such markings are affixed, the Agency shall have the right at any time to modify, remove, obliterate, or ignore such warnings.

## **12. Indemnification.**

12.1 Generally. The Contractor agrees to indemnify and hold harmless the System, the Board, and the Agency, and their trustees, officers, employees and agents (any and all of whom is/are referred to as "Indemnified Party") from and against any and all losses, claims, damages, judgments, liabilities, fines or penalties of any nature whatsoever (any and all of which is/are referred to as "Damages"), to which the Indemnified Party may become subject, insofar as such Damages are caused by or arise directly out of the negligence, willful misconduct, breach of fiduciary duty, bad faith, improper or unethical practice, infringement of intellectual property rights, breach of trust, breach of confidentiality, breach of contract, or violation of any Legal Requirements (as that term is defined in Section 5.3.3 above) on the part of the Contractor or its subcontractors or agents acting in connection with this Contract or other documents or agreements governing transactions undertaken for the System. This indemnification shall survive the termination of this Contract.

### 12.2 Liability of State.

12.2.1 The State of Maryland, its departments, agencies, officials, officers and employees (the “State”) has no obligation to provide legal counsel or legal defense to the Contractor or its subcontractors in the event that a suit, claim or action of any character is brought by any person or persons not party to the Contract against the Contractor or its subcontractors as a result of or relating to the Contractor’s obligations under this Contract.

12.2.2 The State has no obligation for the payment of any judgments or the settlement of any claims made against the Contractor or its subcontractors as a result of or relating to the Contractor’s obligations under the Contract.

12.3 Notice of and Cooperation in Litigation. The Contractor shall immediately give notice to the Contract Manager of any claim or suit made or filed against the

Contractor or its subcontractors regarding any matter resulting from or relating to the Contractor's obligations under this Contract, and shall cooperate, assist and consult with the State in the defense or investigation of any claim, suit, or action made or filed against the State as a result of or relating to the Contractor's obligations under this Contract.

12.4 The provisions of this Section 12 shall survive the termination of this Contract.

### **13. Amendments; Subcontracting and Assignment.**

13.1. Entire Contract; Amendments. This Contract, consisting of this contract and the following Exhibits:

<u>Exhibit</u>	<u>Description</u>
A	Scope of Work
B	Proposal
C	Conflict of Interest Affidavit and Disclosure
D	Contract Affidavit
E	Mandatory Terms and Conditions
F	Non-Disclosure Agreement

constitutes the entire agreement between the parties and all other communications prior to its execution, whether written or oral, with reference to the subject matter of the Contract are superseded by this Contract. This Contract may only be changed or modified in writing signed by both parties.

13.2. Subcontracting and Assignment. The Contractor may not subcontract any portion of the services provided under the Contract without obtaining the prior written approval of the System, nor may the Contractor assign the Contract, or any of its rights or obligations hereunder, without the prior written approval of the System. Any subcontract shall include such language as may be required in various clauses contained within this Contract, exhibits, attachments. The Contract shall not be assigned until app approvals, documents, and affidavits are completed and properly registered. Notwithstanding any subcontract or assignment permitted hereunder, the Contractor shall always remain liable to the System for the Contractor's obligations hereunder and for all actions of any subcontractor or assignee to the same extent as the Contractor is liable for its own actions hereunder. The System shall not be responsible for the fulfillment of the Contractor's obligations to subcontractors.

### **14. Conflict of Interest.**

The Contractor will provide Services to the System and must do so impartially and without any conflicts of interest. The Contractor's first priority in performing the duties of the Contract shall be the protection of the System's interests. The Contractor will be required to complete a Conflict of Interest Affidavit. A copy of the Conflict of Interest

Affidavit/Disclosure is included as **Exhibit D** of this Contract and is incorporated herein by this reference. The Contractor shall provide periodic updates to the Agency and the Contract Manager, providing information such as that required by the Conflict of Interest Affidavit/Disclosure attached as **Exhibit D**, certifying whether an actual or potential conflict of interest exists. The Contractor shall notify the System and the Contract Manager whenever the Contractor provides services to, contracts with, or receives any compensation or remuneration from an organization or company that is involved in a matter related to this Contract. If the Contract Manager makes a determination that facts or circumstances exist that give rise to or could in the future give rise to a conflict of interest within the meaning of the Code of Maryland Regulations (“COMAR”) 21.05.08.08A, the System may terminate the Contract in accordance with COMAR 21.05.05.08D.

## **15. Cost and Price Certification.**

15.1 By submitting cost or price information, the Contractor certifies to the best of its knowledge that the information submitted is accurate, complete, and current as of a mutually determined specified date prior to the conclusion of any price discussions or negotiations.

15.2 The price under this Contract and any change order or modification hereunder, including profit or fee, shall be adjusted to exclude any significant price increases occurring because the Contractor furnished cost or price information which, as of the date agreed upon by the parties, was inaccurate, incomplete, or not current.

## **16. Contingent Fee Prohibition.**

The Contractor warrants that it has not employed or retained any person, partnership, corporation, or other entity other than a bona fide employee or agent working for the Contractor to solicit or secure this Contract; and that it has not paid or agreed to pay any person, partnership, corporation, or other entity other than a bona fide employee or agent any fee or other consideration contingent on the making of this Contract.

## **17. Unilateral Right of the System to Change Duties.**

The System, through the Contract Manager, retains the unilateral right to require modification or changes in the duties to be performed by the Contractor so long as the changes are within the general scope of the Contractor's duties to be performed under this Contract and the Contractor receives notice in writing of the changes.

## **18. Delays and Extensions of Time.**

The Contractor agrees to perform the work under this Contract continuously and diligently. No charges or claims for damages shall be made by the Contractor for any delays or hindrances from any cause whatsoever during the progress of any portion of the work specified in this Contract. Time extensions will be granted only for excusable delays that arise from unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including but not restricted to acts of God, acts of the public enemy, acts

of the System in either its sovereign or contractual capacity, acts of another contractor in the performance of a contract with the System, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, or delays of subcontractors or suppliers arising from unforeseeable causes beyond the control and without the fault or negligence of either the Contractor or the subcontractors or suppliers.

**19. Suspension of Work.**

The Contract Manager may unilaterally order the Contractor in writing to suspend, delay, or interrupt all or any part of the work for such period of time as the Contract Manager may determine to be appropriate for the convenience of the State.

**20. Multi-Year Contracts Contingent Upon Appropriations.**

If the General Assembly fails to appropriate funds or if funds are not otherwise made available for continued performance for any fiscal period of this Contract succeeding the first period, this Contract shall be cancelled automatically as of the beginning of the fiscal year for which funds were not appropriated or otherwise made available; provided, however, that this will not affect either the State's rights or the Contractor's rights under any termination clause in this Contract. The effect of termination of the Contract hereunder will be to discharge both the Contractor and the State from future performance under the Contract, but not from their rights and obligations existing at the time of termination. The Contractor shall be reimbursed for the reasonable value of any non-recurring costs incurred but not amortized in the price of the Contract. The State shall notify the Contractor as soon as it has knowledge that funds may not be available for the continuation of the Contract for each succeeding fiscal period beyond the first.

**21. Record Retention; Inspection of Records.**

The Contractor shall (i) retain and maintain all records and documents relating to this Contract for a period of five (5) years from the date of final payment under this Contract or any subcontract hereunder or any applicable statute of limitations, whichever is longer, and (ii) make the records and documents available for inspection and audit by the Legislative Auditor of the State of Maryland, the System's actuary, the System's auditor, and authorized representatives of the System at all reasonable times. The Contractor shall also maintain for the same time period any additional records and documents that support all recommendations made by the Contractor during the term of this Contract. If such documentation is maintained on an automated system, appropriate retention, retrieval and back-up policies must be established, implemented and maintained. This Section 21 shall survive expiration or termination of the Contract.

**22. Mandatory Contractual Provisions.**

Set forth in **Exhibit E** hereto are certain other required contractual terms and conditions applicable to the Contractor's performance hereunder. In the event of a conflict between a provision of the Mandatory Contractual Provisions which are attached hereto as **Exhibit E** and incorporated by reference herein, and any other provision of this Contract, then the provision of the Mandatory Contractual Provisions shall control.

**23. Miscellaneous Administration.**

25.1. Contract Manager. The work to be accomplished under the Contract shall be performed under the direction of the Chief Investment Officer of the System, his or her designee, or a successor designated by the System, as Contract Manager. All matters relating to the administration and performance of the Contract shall be referred to the Contract Manager for determination.

25.2. Notices. Notices and other writings shall be delivered or mailed postage prepaid:

To the System:

Andrew C. Palmer  
Chief Investment Officer  
Maryland State Retirement and Pension System  
120 E. Baltimore Street, 16th Floor  
Baltimore, Maryland 21202

To the Contractor:

or to such other address as the System or the Contractor may hereafter specify in writing.

Telephone and facsimile notices shall be sufficient if communicated to the party entitled to receive such notice at the following numbers:

If to System:

Mr. Palmer Telephone (410) 625-5620 Facsimile (410)  
468-1701

If to Contractor:

or to such other numbers as either party may furnish the other party by written notice under this Section.

**26. Waiver.**

No failure or delay on the System's part in exercising any right or remedy hereunder shall operate as a waiver thereof. No waiver by either party of any failure or refusal to comply with an obligation hereunder shall be deemed a waiver of any other or subsequent failure or refusal to so comply. No modification or waiver shall be effective unless it is in writing duly executed by the System.

**27. Procurement Regulations.**

Although this Contract is exempt from certain provisions of Division II of the State Finance and Procurement Article ("Procurement Article"), the requirements of the Procurement Article and COMAR, Title 21, State Procurement Regulations (as amended), will be applied to this Contract to the extent practicable and consistent with obtaining the best special investment consultant for the System's asset allocation review project, all as determined in the Contract Manager's sole discretion. The appeal procedures contained in the Procurement Article and in the State Procurement Regulations will not apply to this Contract.

**28. Maryland Law.**

The place of performance of the Contract shall be the State of Maryland. The Contract shall be construed, interpreted, and enforced according to the laws of the State of Maryland.

**29. ADV Registration.**

The System acknowledges receipt of a copy of Parts I and II of the Contractor's ADV Registration Statement pursuant to Rule 204-3(a) of the Act (the "ADV"); provided, however, that: (a) if the Contractor is exempt from such requirement, the Contractor agrees to provide the System with a letter from its counsel explaining the basis for such exemption, and (b) the Contractor may supply the System with the redacted version of the Part I ADV posted on the SEC's website.

**30. Authority.**

Each party to the Contract represents and warrants to the other that it has the full right, power, and authority to execute this Contract and to perform the acts contemplated hereunder and the person signing this Contract on behalf of each party has been properly authorized and empowered to enter into this Contract.

**31. Counterparts.**

This Contract may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall be deemed one and the same document.

**32. Successors and Assigns.**

This Contract shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto.

**[REMAINDER OF PAGE INTENTIONALLY BLANK]**

In recognition of their acceptance of the terms and conditions of this Contract, the System and the Contractor, acting by and through their duly authorized representatives, hereby execute this Special Investment Consultant for Asset Allocation Review Project Services Contract as a sealed instrument as of the day and year first written.

**MARYLAND STATE RETIREMENT AGENCY  
FOR THE USE OF THE BOARD OF  
TRUSTEES FOR THE MARYLAND STATE  
RETIREMENT AND PENSION SYSTEM**

\_\_\_\_\_  
Name: By: R. Dean Kenderdine  
Title: Executive Director and Secretary of the  
Board

Contract, Acknowledged for purposes of Section 4 of the  
**MARYLAND STATE TREASURER'S OFFICE**

\_\_\_\_\_  
Name: Nancy Kopp  
Title: State Treasurer

ATTEST: [ ]

\_\_\_\_\_  
Name: By: \_\_\_\_\_  
Title:

Approved as to form and legal  
sufficiency for the State of  
Maryland this \_\_\_\_ day of  
\_\_\_\_\_, 2015

\_\_\_\_\_  
Assistant Attorney General



**EXHIBIT A**  
**SCOPE OF WORK**

**THIS PAGE INTENTIONALLY BLANK.**

**EXHIBIT B**  
**PROPOSAL**

**THIS PAGE INTENTIONALLY BLANK.**

**EXHIBIT C**

**CONFLICT OF INTEREST AFFIDAVIT AND DISCLOSURE**

- A. "Conflict of Interest" means that because of other activities or relationships with other persons, a person is unable or potentially unable to render impartial assistance or advice to the State, or the person's objectivity in performing the contract work is or might be otherwise impaired, or a person has an unfair competitive advantage.
- B. "Person" has the meaning stated in COMAR 21.01.02.01B (64) and includes a bidder, Offeror, Contractor, consultant, or subcontractor or sub consultant at any tier, and also includes an employee or agent of any of them if the employee or agent has or will have the authority to control or supervise all or a portion of the work for which a bid or offer is made.
- C. The bidder or Offeror warrants that, except as disclosed in §D, below, there are no relevant facts or circumstances now giving rise or which could, in the future, give rise to a conflict of interest.
- D. The following facts or circumstances give rise or could in the future give rise to a conflict of interest (explain in detail—attach additional sheets if necessary).

---

---

---

---

---

---

- E. The bidder or Offeror agrees that if an actual or potential conflict of interest arises after the date of this affidavit, the bidder or Offeror shall immediately make a full disclosure in writing to the procurement officer of all relevant facts and circumstances. This disclosure shall include a description of actions which the bidder or Offeror has taken and proposes to take to avoid, mitigate, or neutralize the actual or potential conflict of interest. If the contract has been awarded and performance of the contract has begun, the Contractor shall continue performance until notified by the procurement officer of any contrary action to be taken.

I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

Date: \_\_\_\_\_ By: \_\_\_\_\_  
\_\_\_\_\_

(Authorized Representative and Affiant)

**EXHIBIT D**

**CONTRACT AFFIDAVIT**

**A. AUTHORITY**

I hereby affirm that I, \_\_\_\_\_ (name of affiant) am the \_\_\_\_\_(title) and duly authorized representative of \_\_\_\_\_(name of business entity) and that I possess the legal authority to make this affidavit on behalf of the business for which I am acting.

**B. CERTIFICATION OF REGISTRATION OR QUALIFICATION WITH THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION**

I FURTHER AFFIRM THAT:

The business named above is a (check applicable box):

- (1) Corporation —  domestic or  foreign;
- (2) Limited Liability Company —  domestic or  foreign;
- (3) Partnership —  domestic or  foreign;
- (4) Statutory Trust —  domestic or  foreign;
- (5)  Sole Proprietorship.

and is registered or qualified as required under Maryland Law. I further affirm that the above business is in good standing both in Maryland and (IF APPLICABLE) in the jurisdiction where it is presently organized, and has filed all of its annual reports, together with filing fees, with the Maryland State Department of Assessments and Taxation. The name and address of its resident agent (IF APPLICABLE) filed with the State Department of Assessments and Taxation is:

Name and Department ID  
Number: \_\_\_\_\_ Address: \_\_\_\_\_

and that if it does business under a trade name, it has filed a certificate with the State Department of Assessments and Taxation that correctly identifies that true name and address of the principal or owner as:

Name and Department ID  
Number: \_\_\_\_\_ Address: \_\_\_\_\_

**C. FINANCIAL DISCLOSURE AFFIRMATION**

I FURTHER AFFIRM THAT:

I am aware of, and the above business will comply with, the provisions of State Finance and Procurement Article, §13-221, Annotated Code of Maryland, which require that every business that enters into contracts, leases, or other agreements with the State of Maryland or its agencies during a calendar year under which the business is to receive in the aggregate \$100,000 or more shall, within 30 days of the time when the aggregate value of the contracts, leases, or other agreements reaches \$100,000, file with the Secretary of State of Maryland certain specified information to include disclosure of beneficial ownership of the business.

#### D. POLITICAL CONTRIBUTION DISCLOSURE AFFIRMATION

##### I FURTHER AFFIRM THAT:

I am aware of, and the above business will comply with, Election Law Article, §§14-101 — 14-108, Annotated Code of Maryland, which requires that every person that enters into contracts, leases, or other agreements with the State of Maryland, including its agencies or a political subdivision of the State, during a calendar year in which the person receives in the aggregate \$100,000 or more shall file with the State Board of Elections a statement disclosing contributions in excess of \$500 made during the reporting period to a candidate for elective office in any primary or general election.

#### E. DRUG AND ALCOHOL FREE WORKPLACE

(Applicable to all contracts unless the contract is for a law enforcement agency and the agency head or the agency head's designee has determined that application of COMAR 21.11.08 and this certification would be inappropriate in connection with the law enforcement agency's undercover operations.)

##### I CERTIFY THAT:

(1) Terms defined in COMAR 21.11.08 shall have the same meanings when used in this certification.

(2) By submission of its Bid/Proposal, the business, if other than an individual, certifies and agrees that, with respect to its employees to be employed under a contract resulting from this solicitation, the business shall:

(a) Maintain a workplace free of drug and alcohol abuse during the term of the contract;

(b) Publish a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession, or use of drugs, and the abuse of drugs or alcohol is prohibited in the business' workplace and specifying the actions that will be taken against employees for violation of these prohibitions;

(c) Prohibit its employees from working under the influence of drugs or alcohol;

(d) Not hire or assign to work on the contract anyone who the business knows, or in the exercise of due diligence should know, currently abuses drugs or alcohol and is not actively engaged in a bona fide drug or alcohol abuse assistance or rehabilitation program;

(e) Promptly inform the appropriate law enforcement agency of every drug-related crime that occurs in its workplace if the business has observed the violation or otherwise has reliable information that a violation has occurred;

(f) Establish drug and alcohol abuse awareness programs to inform its employees about:

- (i) The dangers of drug and alcohol abuse in the workplace;
- (ii) The business's policy of maintaining a drug and alcohol free workplace;
- (iii) Any available drug and alcohol counseling, rehabilitation, and employee assistance programs; and

(iv) The penalties that may be imposed upon employees who abuse drugs and alcohol in the workplace;

(g) Provide all employees engaged in the performance of the contract with a copy of the statement required by §E(2)(b), above;

(h) Notify its employees in the statement required by §E(2)(b), above, that as a condition of continued employment on the contract, the employee shall:

- (i) Abide by the terms of the statement; and
- (ii) Notify the employer of any criminal drug or alcohol abuse conviction for an offense occurring in the workplace not later than 5 days after a conviction;

(i) Notify the procurement officer within 10 days after receiving notice under §E(2)(h)(ii), above, or otherwise receiving actual notice of a conviction;

(j) Within 30 days after receiving notice under §E(2)(h)(ii), above, or otherwise receiving actual notice of a conviction, impose either of the following sanctions or remedial measures on any employee who is convicted of a drug or alcohol abuse offense occurring in the workplace:

- (i) Take appropriate personnel action against an employee, up to and including termination; or
- (ii) Require an employee to satisfactorily participate in a bona fide drug or alcohol abuse assistance or rehabilitation program; and

(k) Make a good faith effort to maintain a drug and alcohol free workplace through implementation of §E(2)(a)—(j), above.

(3) If the business is an individual, the individual shall certify and agree as set forth in §E(4), below, that the individual shall not engage in the unlawful manufacture, distribution, dispensing, possession, or use of drugs or the abuse of drugs or alcohol in the performance of the contract.

(4) I acknowledge and agree that:

(a) The award of the contract is conditional upon compliance with COMAR 21.11.08 and this certification;

(b) The violation of the provisions of COMAR 21.11.08 or this certification shall be cause to suspend payments under, or terminate the contract for default under COMAR 21.07.01.11 or 21.07.03.15, as applicable; and

(c) The violation of the provisions of COMAR 21.11.08 or this certification in connection with the contract may, in the exercise of the discretion of the Board of Public Works, result in suspension and debarment of the business under COMAR 21.08.03.

#### F. CERTAIN AFFIRMATIONS VALID

I FURTHER AFFIRM THAT:

To the best of my knowledge, information, and belief, each of the affirmations, certifications, or acknowledgements contained in that certain Bid/Proposal Affidavit dated \_\_\_\_\_, 201\_\_\_\_,

and executed by me for the purpose of obtaining the contract to which this Exhibit is attached remains true and correct in all respects as if made as of the date of this Contract Affidavit and as if fully set forth herein.

I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

Date: \_\_\_\_\_

By: \_\_\_\_\_ (printed name of Authorized Representative and Affiant)

\_\_\_\_\_ (signature of Authorized Representative and Affiant)

## **EXHIBIT E**

### **MANDATORY TERMS AND CONDITIONS**

Pursuant to the Annotated Code of Maryland, State Finance and Procurement Art. §11-203(d), the Board of Trustees of the Maryland State Retirement and Pension System is exempt from the applicability of the State's procurement laws for certain expenditures to manage, maintain and enhance the value of the retirement system. Although the procurement of the services to be rendered by [ ] (the "Contractor") pursuant to the attached Special Investment Consultant for Asset Allocation Review Project Services Contract (the "Contract") is, as a general matter, exempt from the procurement laws, under State law the following provisions of Maryland law must be included in any contract.

In view of the foregoing, the parties agree that the following provisions are hereby included in the Contract:

#### **ARTICLE I - NONDISCRIMINATION IN EMPLOYMENT**

The Contractor agrees: (a) not to discriminate in any manner against an employee or applicant for employment because of race, color, religion, creed, age, sex, marital status, national origin, ancestry, or physical or mental handicap unrelated in nature and extent so as reasonably to preclude the performance of such employment; (b) to include a provision similar to that contained in subsection (a), above, in any underlying subcontract except a subcontract for standard commercial supplies or raw materials; and (c) to post and to cause subcontractors to post in conspicuous places available to employees and applicants for employment, notices setting forth the substance of this clause.

#### **ARTICLE II - FINANCIAL DISCLOSURE**

The Contractor shall comply with the provisions of Section 13-221 of the State Finance and Procurement Article, Annotated Code of Maryland, which requires that every business that enters into contracts, leases, or other agreements with the State of Maryland or its agencies during a calendar year under which the business is to receive in the aggregate \$100,000 or more, shall, within 30 days of the time when the aggregate value of these contracts, leases or other agreements reaches \$100,000, file with the Secretary of State of Maryland certain specified information to include disclosure of beneficial ownership of the business.

#### **ARTICLE III - POLITICAL CONTRIBUTION DISCLOSURE**

The Contractor shall comply with the provisions of Election Law Article, Title 14 of the Annotated Code of Maryland, which requires that every person that enters into a contract for procurement with the State, a county, or a municipal corporation, or other political subdivision of the State, during a calendar year in which the person receives a contract with a governmental entity in the amount of \$200,000 or more, shall, file with the State Board of Elections statements disclosing: (a) any contributions made during the reporting period to a candidate for elective office in any primary or general election; and



(b) the name of each candidate to whom one or more contributions in the cumulative amount of \$500 or more were made during a reporting period. The statement shall be filed with the State Board of Elections: (a) before execution of a contract by the State, a county, a municipal corporation or other political subdivision of the State and shall cover the 24 months prior to when a contract was awarded; and (b) if the contribution is made after the execution of a contract, than twice a year, throughout the contract term, on: (a) February 5, to cover the six month period ending January 31, and (b) August 5, to cover the six month period ending July 31. Additional information is available on the State Board of Elections website: [http://www.elections.state.md.us/campaign\\_finance/index.html](http://www.elections.state.md.us/campaign_finance/index.html).

#### **ARTICLE IV - NON-HIRING OF OFFICIALS AND EMPLOYEES**

The Contractor shall comply with the provisions of the Annotated Code of Maryland, State Government Article, Section 15-102, which provides that no official or employee of the State of Maryland, as defined therein, whose duties as such official or employee include matters relating to or affecting the subject matter of this Contract shall, during the pendency and term of this Contract and while serving as an official or employee of the State, become or be an employee of the Contractor or any entity that is subcontractor on this Contract.

#### **ARTICLE V - BRIBERY**

Neither the Contractor nor any officer, director or partner of the Contractor nor any employee of the Contractor directly involved in obtaining contracts with the State of Maryland, or any county or other sub-division of the State of Maryland, has been convicted of bribery, attempted bribery or conspiracy to bribe, nor has engaged in conduct, or by any acts or omissions, made admissions in writing or under oath during the course of an official investigation or other proceeding, since July 1, 1977, which would constitute an offense or offenses of bribery, attempted bribery, or conspiracy to bribe under the laws of any state or the federal government except as herein expressly stated:

---

(If none, so state)

As used herein, the word "convicted" includes an accepted plea of nolo contendere.

## **EXHIBIT F**

### **NON-DISCLOSURE AGREEMENT**

THIS NON-DISCLOSURE AGREEMENT (“Agreement”) is made by and between the State of Maryland (the “State”), acting by and through Maryland State Retirement Agency for the use of the Board of Trustees for the Maryland State Retirement And Pension System (the “System”), and \_\_\_\_\_ ( the “Contractor”).

### **RECITALS**

**WHEREAS**, the Contractor has been awarded a contract (the “Contract”) following the solicitation for Special Investment Consultant for Asset Allocation Review Project; and

**WHEREAS**, in order for the Contractor to perform the work required under the Contract, it will be necessary for the State at times to provide the Contractor and the Contractor’s employees, agents, and subcontractors (collectively the “Contractor’s Personnel”) with access to certain information the State deems confidential information (the “Confidential Information”).

**NOW, THEREFORE**, in consideration of being given access to the Confidential Information in connection with the solicitation and the Contract, and for other good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties do hereby agree as follows:

1. Confidential Information means any and all information provided by or made available by the State to the Contractor in connection with the Contract, regardless of the form, format, or media on or in which the Confidential Information is provided and regardless of whether any such Confidential Information is marked as such. Confidential Information includes, by way of example only, information that the Contractor views, takes notes from, copies (if the State agrees in writing to permit copying), possesses or is otherwise provided access to and use of by the State in relation to the Contract.
2. Contractor shall not, without the State’s prior written consent, copy, disclose, publish, release, transfer, disseminate, use, or allow access for any purpose or in any form, any Confidential Information provided by the State except for the sole and exclusive purpose of performing under the Contract. Contractor shall limit access to the Confidential Information to the Contractor’s Personnel who have a demonstrable need to know such Confidential Information in order to perform under the Contract and who have agreed in writing to be bound by the disclosure and use limitations pertaining to the Confidential Information. The names of the Contractor’s Personnel are attached hereto and made a part hereof as EXHIBIT F-1. Contractor shall update EXHIBIT F-1 by adding additional names (whether Contractor’s personnel or a subcontractor’s personnel) as needed, from time to time.

3. If the Contractor intends to disseminate any portion of the Confidential Information to non-employee agents who are assisting in the Contractor's performance of the Contract or who will otherwise have a role in performing any aspect of the Contract, the Contractor shall first obtain the written consent of the State to any such dissemination. The State may grant, deny, or condition any such consent, as it may deem appropriate in its sole and absolute subjective discretion.
4. Contractor hereby agrees to hold the Confidential Information in trust and in strictest confidence, to adopt or establish operating procedures and physical security measures, and to take all other measures necessary to protect the Confidential Information from inadvertent release or disclosure to unauthorized third parties and to prevent all or any portion of the Confidential Information from falling into the public domain or into the possession of persons not bound to maintain the confidentiality of the Confidential Information.
5. Contractor shall promptly advise the State in writing if it learns of any unauthorized use, misappropriation, or disclosure of the Confidential Information by any of the Contractor's Personnel or the Contractor's former Personnel. Contractor shall, at its own expense, cooperate with the State in seeking injunctive or other equitable relief against any such person(s).
6. Contractor shall, at its own expense, return to the System all copies of the Confidential Information in its care, custody, control or possession upon request of the System or on termination of the Contract.
7. A breach of this Agreement by the Contractor or by the Contractor's Personnel shall constitute a breach of the Contract between the Contractor and the State.
8. Contractor acknowledges that any failure by the Contractor or the Contractor's Personnel to abide by the terms and conditions of use of the Confidential Information may cause irreparable harm to the State and that monetary damages may be inadequate to compensate the State for such breach. Accordingly, the Contractor agrees that the State may obtain an injunction to prevent the disclosure, copying or improper use of the Confidential Information. The Contractor consents to personal jurisdiction in the Maryland State Courts. The State's rights and remedies hereunder are cumulative and the State expressly reserves any and all rights, remedies, claims and actions that it may have now or in the future to protect the Confidential Information and to seek damages from the Contractor and the Contractor's Personnel for a failure to comply with the requirements of this Agreement. In the event the State suffers any losses, damages, liabilities, expenses, or costs (including, by way of example only, attorneys' fees and disbursements) that are attributable, in whole or in part to any failure by the Contractor or any of the Contractor's Personnel to comply with the requirements of this Agreement, the Contractor shall hold harmless and indemnify the State from and against any such losses, damages, liabilities, expenses, and costs.

9. Contractor and each of the Contractor's Personnel who receive or have access to any Confidential Information shall execute a copy of an agreement substantially similar to this Agreement, in no event less restrictive than as set forth in this Agreement, and the Contractor shall provide originals of such executed Agreements to the State.
10. The parties further agree that:
- a. This Agreement shall be governed by the laws of the State of Maryland;
  - b. The rights and obligations of the Contractor under this Agreement may not be assigned or delegated, by operation of law or otherwise, without the prior written consent of the State;
  - c. The State makes no representations or warranties as to the accuracy or completeness of any Confidential Information;
  - d. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement;
  - e. Signatures exchanged by facsimile are effective for all purposes hereunder to the same extent as original signatures;
  - f. The Recitals are not merely prefatory but are an integral part hereof; and
  - g. The effective date of this Agreement shall be the same as the effective date of the Contract entered into by the parties.

**IN WITNESS WHEREOF**, the parties have, by their duly authorized representatives, executed this Agreement as of the day and year first above written.

Contractor: _____	MARYLAND STATE RETIREMENT AGENCY FOR THE USE OF THE BOARD OF TRUSTEES FOR THE MARYLAND STATE RETIREMENT AND PENSION SYSTEM
By: _____(SEAL)	By: _____
Printed Name: _____	Printed Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

**MARYLAND STATE RETIREMENT AGENCY  
REQUEST FOR PROPOSALS  
SPECIAL INVESTMENT CONSULTANT FOR  
ASSET ALLOCATION REVIEW PROJECT**

**ATTACHMENT F**

**CONTRACT AFFIDAVIT**

(To be completed by selected Contractor within five (5) business days after Contract award.)

**A. AUTHORITY**

I hereby affirm that I, \_\_\_\_\_ (name of affiant) am the \_\_\_\_\_ (title) and duly authorized representative of \_\_\_\_\_ (name of business entity) and that I possess the legal authority to make this affidavit on behalf of the business for which I am acting.

**B. CERTIFICATION OF REGISTRATION OR QUALIFICATION WITH THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION**

I FURTHER AFFIRM THAT:

The business named above is a (check applicable box):

- (1) Corporation —  domestic or  foreign;
- (2) Limited Liability Company —  domestic or  foreign;
- (3) Partnership —  domestic or  foreign;
- (4) Statutory Trust —  domestic or  foreign;
- (5)  Sole Proprietorship.

and is registered or qualified as required under Maryland Law. I further affirm that the above business is in good standing both in Maryland and (IF APPLICABLE) in the jurisdiction where it is presently organized, and has filed all of its annual reports, together with filing fees, with the Maryland State Department of Assessments and Taxation. The name and address of its resident agent (IF APPLICABLE) filed with the State Department of Assessments and Taxation is:

Name and Department ID

Number: \_\_\_\_\_ Address: \_\_\_\_\_

and that if it does business under a trade name, it has filed a certificate with the State Department of Assessments and Taxation that correctly identifies that true name and address of the principal or owner as:

Name and Department ID

Number: \_\_\_\_\_ Address: \_\_\_\_\_

**C. FINANCIAL DISCLOSURE AFFIRMATION**

I FURTHER AFFIRM THAT:

I am aware of, and the above business will comply with, the provisions of State Finance and Procurement Article, §13-221, Annotated Code of Maryland, which require that every business that enters into contracts, leases, or other agreements with the State of Maryland or its agencies during a calendar year under which the business is to receive in the aggregate \$100,000 or more shall, within 30 days of the time when the aggregate value of the contracts, leases, or other agreements reaches \$100,000, file with the Secretary of State of Maryland certain specified information to include disclosure of beneficial ownership of the business.

#### D. POLITICAL CONTRIBUTION DISCLOSURE AFFIRMATION

I FURTHER AFFIRM THAT:

I am aware of, and the above business will comply with, Election Law Article, §§14-101 — 14-108, Annotated Code of Maryland, which requires that every person that enters into contracts, leases, or other agreements with the State of Maryland, including its agencies or a political subdivision of the State, during a calendar year in which the person receives in the aggregate \$100,000 or more shall file with the State Board of Elections a statement disclosing contributions in excess of \$500 made during the reporting period to a candidate for elective office in any primary or general election.

#### E. DRUG AND ALCOHOL FREE WORKPLACE

(Applicable to all contracts unless the contract is for a law enforcement agency and the agency head or the agency head's designee has determined that application of COMAR 21.11.08 and this certification would be inappropriate in connection with the law enforcement agency's undercover operations.)

I CERTIFY THAT:

(1) Terms defined in COMAR 21.11.08 shall have the same meanings when used in this certification.

(2) By submission of its Bid/Proposal, the business, if other than an individual, certifies and agrees that, with respect to its employees to be employed under a contract resulting from this solicitation, the business shall:

(a) Maintain a workplace free of drug and alcohol abuse during the term of the contract;

(b) Publish a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession, or use of drugs, and the abuse of drugs or alcohol is prohibited in the business' workplace and specifying the actions that will be taken against employees for violation of these prohibitions;

(c) Prohibit its employees from working under the influence of drugs or alcohol;

(d) Not hire or assign to work on the contract anyone who the business knows, or in the exercise of due diligence should know, currently abuses drugs or alcohol and is not actively engaged in a bona fide drug or alcohol abuse assistance or rehabilitation program;

(e) Promptly inform the appropriate law enforcement agency of every drug-related crime that occurs in its workplace if the business has observed the violation or otherwise has reliable information that a violation has occurred;

(f) Establish drug and alcohol abuse awareness programs to inform its employees about:

- (v) The dangers of drug and alcohol abuse in the workplace;
- (vi) The business's policy of maintaining a drug and alcohol free workplace;
- (vii) Any available drug and alcohol counseling, rehabilitation, and employee assistance programs; and
- (viii) The penalties that may be imposed upon employees who abuse drugs and alcohol in the workplace;

(g) Provide all employees engaged in the performance of the contract with a copy of the statement required by §E(2)(b), above;

(h) Notify its employees in the statement required by §E(2)(b), above, that as a condition of continued employment on the contract, the employee shall:

- (iii) Abide by the terms of the statement; and
- (iv) Notify the employer of any criminal drug or alcohol abuse conviction for an offense occurring in the workplace not later than 5 days after a conviction;

(i) Notify the procurement officer within 10 days after receiving notice under §E(2)(h)(ii), above, or otherwise receiving actual notice of a conviction;

(j) Within 30 days after receiving notice under §E(2)(h)(ii), above, or otherwise receiving actual notice of a conviction, impose either of the following sanctions or remedial measures on any employee who is convicted of a drug or alcohol abuse offense occurring in the workplace:

- (iii) Take appropriate personnel action against an employee, up to and including termination; or
- (iv) Require an employee to satisfactorily participate in a bona fide drug or alcohol abuse assistance or rehabilitation program; and

(k) Make a good faith effort to maintain a drug and alcohol free workplace through implementation of §E(2)(a)—(j), above.

(3) If the business is an individual, the individual shall certify and agree as set forth in §E(4), below, that the individual shall not engage in the unlawful manufacture, distribution, dispensing, possession, or use of drugs or the abuse of drugs or alcohol in the performance of the contract.

(4) I acknowledge and agree that:

- (b) The award of the contract is conditional upon compliance with COMAR 21.11.08 and this certification;

(b) The violation of the provisions of COMAR 21.11.08 or this certification shall cause to suspend payments under, or terminate the contract for default under COMAR 21.07.01.11 or 21.07.03.15, as applicable; and

(c) The violation of the provisions of COMAR 21.11.08 or this certification in connection with the contract may, in the exercise of the discretion of the Board of Public Works, result in suspension and debarment of the business under COMAR 21.08.03.

**F. CERTAIN AFFIRMATIONS VALID**

**I FURTHER AFFIRM THAT:**

To the best of my knowledge, information, and belief, each of the affirmations, certifications, or acknowledgements contained in that certain Bid/Proposal Affidavit dated \_\_\_\_\_, 201\_\_\_\_, and executed by me for the purpose of obtaining the contract to which this Exhibit is attached remains true and correct in all respects as if made as of the date of this Contract Affidavit and as if fully set forth herein.

**I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.**

Date: \_\_\_\_\_

By: \_\_\_\_\_ (printed name of Authorized Representative and Affiant)

\_\_\_\_\_ (signature of Authorized Representative and Affiant)



**MARYLAND STATE RETIREMENT AGENCY  
REQUEST FOR PROPOSALS  
SPECIAL INVESTMENT CONSULTANT FOR  
ASSET ALLOCATION REVIEW PROJECT**

**ATTACHMENT G**

**NON-DISCLOSURE AGREEMENT**

THIS NON-DISCLOSURE AGREEMENT (“Agreement”) is made by and between the State of Maryland (the “State”), acting by and through Maryland State Retirement Agency for the use of the Board of Trustees for the Maryland State Retirement And Pension System (the “System”), and \_\_\_\_\_ ( the “Contractor”).

**RECITALS**

**WHEREAS**, the Contractor has been awarded a contract (the “Contract”) following the solicitation for Special Investment Consultant for Asset Allocation Review Project; and

**WHEREAS**, in order for the Contractor to perform the work required under the Contract, it will be necessary for the State at times to provide the Contractor and the Contractor’s employees, agents, and subcontractors (collectively the “Contractor’s Personnel”) with access to certain information the State deems confidential information (the “Confidential Information”).

**NOW, THEREFORE**, in consideration of being given access to the Confidential Information in connection with the solicitation and the Contract, and for other good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties do hereby agree as follows:

1. Confidential Information means any and all information provided by or made available by the State to the Contractor in connection with the Contract, regardless of the form, format, or media on or in which the Confidential Information is provided and regardless of whether any such Confidential Information is marked as such. Confidential Information includes, by way of example only, information that the Contractor views, takes notes from, copies (if the State agrees in writing to permit copying), possesses or is otherwise provided access to and use of by the State in relation to the Contract.
2. Contractor shall not, without the State’s prior written consent, copy, disclose, publish, release, transfer, disseminate, use, or allow access for any purpose or in any form, any Confidential Information provided by the State except for the sole and exclusive purpose of performing under the Contract. Contractor shall limit access to the Confidential Information to the Contractor’s Personnel who have a demonstrable need to know such Confidential Information in order to perform under the Contract and who have agreed in writing to be bound by the disclosure and use limitations pertaining to the Confidential Information. The names of the Contractor’s Personnel are attached hereto and made a part hereof as ATTACHMENT H-1. Contractor shall update ATTACHMENT H-1 by adding additional names (whether Contractor’s personnel or a subcontractor’s personnel) as needed, from time to time.

3. If the Contractor intends to disseminate any portion of the Confidential Information to non-employee agents who are assisting in the Contractor's performance of the Contract or who will otherwise have a role in performing any aspect of the Contract, the Contractor shall first obtain the written consent of the State to any such dissemination. The State may grant, deny, or condition any such consent, as it may deem appropriate in its sole and absolute subjective discretion.
4. Contractor hereby agrees to hold the Confidential Information in trust and in strictest confidence, to adopt or establish operating procedures and physical security measures, and to take all other measures necessary to protect the Confidential Information from inadvertent release or disclosure to unauthorized third parties and to prevent all or any portion of the Confidential Information from falling into the public domain or into the possession of persons not bound to maintain the confidentiality of the Confidential Information.
5. Contractor shall promptly advise the State in writing if it learns of any unauthorized use, misappropriation, or disclosure of the Confidential Information by any of the Contractor's Personnel or the Contractor's former Personnel. Contractor shall, at its own expense, cooperate with the State in seeking injunctive or other equitable relief against any such person(s).
6. Contractor shall, at its own expense, return to the System all copies of the Confidential Information in its care, custody, control or possession upon request of the System or on termination of the Contract.
7. A breach of this Agreement by the Contractor or by the Contractor's Personnel shall constitute a breach of the Contract between the Contractor and the State.
8. Contractor acknowledges that any failure by the Contractor or the Contractor's Personnel to abide by the terms and conditions of use of the Confidential Information may cause irreparable harm to the State and that monetary damages may be inadequate to compensate the State for such breach. Accordingly, the Contractor agrees that the State may obtain an injunction to prevent the disclosure, copying or improper use of the Confidential Information. The Contractor consents to personal jurisdiction in the Maryland State Courts. The State's rights and remedies hereunder are cumulative and the State expressly reserves any and all rights, remedies, claims and actions that it may have now or in the future to protect the Confidential Information and to seek damages from the Contractor and the Contractor's Personnel for a failure to comply with the requirements of this Agreement. In the event the State suffers any losses, damages, liabilities, expenses, or costs (including, by way of example only, attorneys' fees and disbursements) that are attributable, in whole or in part to any failure by the Contractor or any of the Contractor's Personnel to comply with the requirements of this Agreement, the Contractor shall hold harmless and indemnify the State from and against any such losses, damages, liabilities, expenses, and costs.
9. Contractor and each of the Contractor's Personnel who receive or have access to any Confidential Information shall execute a copy of an agreement substantially similar to this Agreement, in no event less restrictive than as set forth in this Agreement, and the Contractor shall provide originals of such executed Agreements to the State.
10. The parties further agree that:
  - a. This Agreement shall be governed by the laws of the State of Maryland;

- b. The rights and obligations of the Contractor under this Agreement may not be assigned or delegated, by operation of law or otherwise, without the prior written consent of the State;
- c. The State makes no representations or warranties as to the accuracy or completeness of any Confidential Information;
- d. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement;
- e. Signatures exchanged by facsimile are effective for all purposes hereunder to the same extent as original signatures;
- f. The Recitals are not merely prefatory but are an integral part hereof; and
- g. The effective date of this Agreement shall be the same as the effective date of the Contract entered into by the parties.

**IN WITNESS WHEREOF**, the parties have, by their duly authorized representatives, executed this Agreement as of the day and year first above written.

Contractor: \_\_\_\_\_

MARYLAND STATE RETIREMENT  
 AGENCY FOR THE USE OF THE BOARD OF  
 TRUSTEES FOR THE MARYLAND STATE  
 RETIREMENT AND PENSION SYSTEM

By: \_\_\_\_\_ (SEAL)

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**MARYLAND STATE RETIREMENT AGENCY  
REQUEST FOR PROPOSALS  
SPECIAL INVESTMENT CONSULTANT FOR  
ASSET ALLOCATION REVIEW PROJECT**

**ATTACHMENT H**

**INVESTMENT POLICY MANUAL FOR THE  
BOARD OF TRUSTEES OF THE  
MARYLAND STATE RETIREMENT AND PENSION SYSTEM**