

Solicitation No. CFOPD-20-R-037  
 OPEB Outsourced Chief Investment Officer (OCIO)

<b>SOLICITATION, OFFER, AND AWARD</b>			1. Caption OPEB Outsourced Chief Investment Officer (OCIO)		Page of Pages 1 77		
2. Contract Number		3. Solicitation Number CFOPD-20-R-037		4. Type of Solicitation <input type="checkbox"/> Sealed Bid (IFB) <input checked="" type="checkbox"/> Sealed Proposals (RFP) <input type="checkbox"/> Sole Source <input type="checkbox"/> Emergency		5. Date Issued 5/12/2020	
						6. Type of Market <input checked="" type="checkbox"/> Open <input type="checkbox"/> Set Aside <input type="checkbox"/> Open Market with Set-Aside <input type="checkbox"/> SBE Designated Category:	
7. Issued By: Office of the Chief Financial Officer Office of Contracts and Procurement 1100 4th Street, SW, Room 610E Washington, DC 20024				8. Address Offer to: Office of Chief Financial Officer Office of Contracts and Procurement 1100 4th Street, SW, Room 610E Washington, DC 20024			
NOTE: In sealed bid solicitations "offer" and offeror" means "bid" and "bidder"							
<b>SOLICITATION</b>							
9. Sealed offers in original and redacted copy for furnishing the supplies or services in the Schedule will be received by the point of contact on Page 1 of this solicitation via the Gateway portal, pursuant to Section L.12, until 2:00PM local time 16-Jun-20 (Hour) (Date)							
10. For Information Contact		A. Name Samira Davis		B. Telephone (Area Code) 202 (Number) 442-6428 (Ext)		C. E-mail Address samira.davis@dc.gov	
11. Table of Contents							
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<b>OFFER</b>							
12. In compliance with the above, the undersigned agrees, if this offer is accepted within 120 calendar days from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the price set opposite each item, delivered at the designated point(s), within the time specified herein.							
13. Discount for Prompt Payment		10 Calendar days %	20 Calendar days %	30 Calendar days %	Calendar days %		
14. Acknowledgement of Amendments (The offeror acknowledges receipt of amendments to the SOLICITATION):			Amendment Number	Date	Amendment Number	Date	
15A. Name and Address of Offeror			16. Name and Title of Person Authorized to Sign Offer/Contract				
15B. Telephone		15 C. Check if remittance address is different from above - Refer to Section G		17. Signature		18. Offer Date	
(Area Code)	(Number)	(Ext)					
<b>AWARD (TO BE COMPLETED BY GOVERNMENT)</b>							
19. Accepted as to Items Numbered			20. Amount		21. Accounting and Appropriation		
22. Name of Contracting Officer (Type or Print)			23. Signature of Contracting Officer (District of Columbia)			24. Award Date	
Government of the District of Columbia			Office of the Chief Financial Officer				

**SECTION B**

**CONTRACT TYPE, SUPPLIES OR SERVICES AND PRICE**

**B.1 GENERAL INFORMATION**

The District of Columbia Office of the Chief Financial Officer, Office of Contracts, on behalf of the Office Finance and Treasury (the “District”) is seeking Outsourced Chief Investment Officer (“OCIO”) services for the District of Columbia Other Post-Employment Benefits Fund (“OPEB”, “Plan”, or “Trust Fund”).

B.1.1 The procurement rules under CFO Order Number 15-14, Benefit Plans shall govern this request for proposals (“Solicitation”). The services solicited are exempt from: (i) District of Columbia Procurement Practices Reform Act of 2010, (D.C. Law 18-371; D.C. Official Code §§ 2-351.01, et seq. ("PPRA")); (ii) D.C. Council contract review provisions of Section 451 of the Home Rule Act ("D.C. Official Code § 1-204.51); and (iii) Small and Certified Business Enterprise Development and Assistance Amendment Act of 2014 (the "CBE Act").

**B.2 CONTRACT TYPE**

The District contemplates award of a Firm Fixed Price Contract.

**B.3 ALL-INCLUSIVE PRICING**

The stated Price Per Unit for each Contract Line Item Number (CLIN) shall be fixed, and inclusive of all the Contractor’s direct cost, indirect cost, and profit; including travel, material, and delivery costs. The price shall include all cost associated with the services described in and required by the Contract. The Total Estimated Price shall represent the price ceiling, fixed fee, or not to exceed amount of the Contract.

**B.4 PRICE SCHEDULE**

**B.4.1 Base Year – Price Schedule**

CLIN	Item Description	Total Price
001	Yearly OCIO Services fee	\$

1. The Contractor shall provide a price breakdown of the CLIN 001 in a proportionately itemized fee schedule including each of the services the Contractor proposes to provide in performance of the Contract period. The price breakdown should include items such as initial

fees, headline advisory fee, underlying product fees, implementation fees, and other fees. Each price breakdown item may represent a CLIN. The Contractor shall submit proper invoices no more than on a monthly basis, pursuant to Section G.3.1, as a proration of the Total Price.

**B.4.2 Option Period One – Price Schedule**

CLIN	Item Description	Total Price
101	Yearly OCIO Services fee	\$

1. The Contractor shall provide a price breakdown of the CLIN 101 in a proportionately itemized fee schedule including each of the services the Contractor proposes to provide in performance of the Contract period. The price breakdown should include items such as initial fees, headline advisory fee, underlying product fees, implementation fees, and other fees. Each price breakdown item may represent a CLIN. The Contractor shall submit proper invoices no more than on a monthly basis, pursuant to Section G.3.1, as a proration of the Total Price.

**B.4.3 Option Period Two – Price Schedule**

CLIN	Item Description	Total Price
201	Yearly OCIO Services fee	\$

1. The Contractor shall provide a price breakdown of the CLIN 201 in a proportionately itemized fee schedule including each of the services the Contractor proposes to provide in performance of the Contract period. The price breakdown should include items such as initial fees, headline advisory fee, underlying product fees, implementation fees, and other fees. Each price breakdown item may represent a CLIN. The Contractor shall submit proper invoices no more than on a monthly basis, pursuant to Section G.3.1, as a proration of the Total Price.

**B.4.4 Option Period Three – Price Schedule**

CLIN	Item Description	Total Price
301	Yearly OCIO Services fee	\$

1. The Contractor shall provide a price breakdown of the CLIN 301 in a proportionately itemized fee schedule including each of the services the Contractor proposes to provide in performance of the Contract period. The price breakdown should include items such as initial fees, headline advisory fee, underlying product fees, implementation fees, and other fees. Each price breakdown item may represent a CLIN. The Contractor shall submit proper invoices no more than on a monthly basis, pursuant to Section G.3.1, as a proration of the Total Price.

**B.4.5 Option Period Four – Price Schedule**

<b>CLIN</b>	<b>Item Description</b>	<b>Total Price</b>
401	Yearly OCIO Services fee	\$

1. The Contractor shall provide a price breakdown of the CLIN 401 in a proportionately itemized fee schedule including each of the services the Contractor proposes to provide in performance of the Contract period. The price breakdown should include items such as initial fees, headline advisory fee, underlying product fees, implementation fees, and other fees. Each price breakdown item may represent a CLIN. The Contractor shall submit proper invoices no more than on a monthly basis, pursuant to Section G.3.1, as a proration of the Total Price.

**B.4.6 Option Period Five – Price Schedule**

<b>CLIN</b>	<b>Item Description</b>	<b>Total Price</b>
501	Yearly OCIO Services fee	\$

1. The Contractor shall provide a price breakdown of the CLIN 501 in a proportionately itemized fee schedule including each of the services the Contractor proposes to provide in performance of the Contract period. The price breakdown should include items such as initial fees, headline advisory fee, underlying product fees, implementation fees, and other fees. Each price breakdown item may represent a CLIN. The Contractor shall submit proper invoices no more than on a monthly basis, pursuant to Section G.3.1, as a proration of the Total Price.

**B.4.7 Option Period Six – Price Schedule**

<b>CLIN</b>	<b>Item Description</b>	<b>Total Price</b>
601	Yearly OCIO Services fee	\$

1. The Contractor shall provide a price breakdown of the CLIN 601 in a proportionately itemized fee schedule including each of the services the Contractor proposes to provide in performance of the Contract period. The price breakdown should include items such as initial fees, headline advisory fee, underlying product fees, implementation fees, and other fees. Each price breakdown item may represent a CLIN. The Contractor shall submit proper invoices no more than on a monthly basis, pursuant to Section G.3.1, as a proration of the Total Price.

**B.4.8 Option Period Seven – Price Schedule**

<b>CLIN</b>	<b>Item Description</b>	<b>Total Price</b>
701	Yearly OCIO Services fee	\$

1. The Contractor shall provide a price breakdown of the CLIN 701 in a proportionately itemized fee schedule including each of the services the Contractor proposes to provide in performance of the Contract period. The price breakdown should include items such as initial fees, headline advisory fee, underlying product fees, implementation fees, and other fees. Each price breakdown item may represent a CLIN. The Contractor shall submit proper invoices no more than on a monthly basis, pursuant to Section G.3.1, as a proration of the Total Price.

**B.4.9 Option Period Eight – Price Schedule**

<b>CLIN</b>	<b>Item Description</b>	<b>Total Price</b>
801	Yearly OCIO Services fee	\$

1. The Contractor shall provide a price breakdown of the CLIN 801 in a proportionately itemized fee schedule including each of the services the Contractor proposes to provide in performance of the Contract period. The price breakdown should include items such as initial fees, headline advisory fee, underlying product fees, implementation fees, and other fees. Each price breakdown item may represent a CLIN. The Contractor shall submit proper invoices no more than on a monthly basis, pursuant to Section G.3.1, as a proration of the Total Price.

**B.5 OPTIONAL ITEMS**

1. The District may decide to exercise the option for purchasing Optional Items in the best interest of the District through a bilateral modification to the Contract.
2. The Contractor shall provide an Optional Items Price Schedule for any and all additional services not included in Section B.4, Price Schedule. The Optional Items Price Schedule shall include hourly rate for special projects. The Contractor shall provide pricing for the Optional Items for the Base Period and any option year exercised in the event Optional Items are exercised in an option period.

## SECTION C

### DESCRIPTION/SPECIFICATIONS/WORK STATEMENT

#### C.1 SCOPE

The District of Columbia Office of the Chief Financial Officer, Office of Contracts, on behalf of the Office Finance and Treasury (the “District”) is seeking Outsourced Chief Investment Officer (“OCIO”) services for the District of Columbia Other Post-Employment Benefits Fund (“OPEB”, “Plan”, or “Trust Fund”).

#### C.2 BACKGROUND

1. The government of the District of Columbia established the District’s Annuitants’ Health and Life Insurance Employer Contribution Trust Fund October 1, 1999 under the Annuitants’ Health and Life Insurance Employer Contribution Amendment Act of 1999 (DC Official Code 1-621.09). The Plan includes a trust fund that is required for the deposit of District contributions. These contributions along with investment earnings are used to pay future benefits on behalf of qualified participants. The Plan is administered jointly by the District’s Office of Finance and Treasury (“OFT”) within the District’s Office of the Chief Financial Officer (“OCFO”), and the District’s Office of Human Resources (“DCHR”). There is another Post-Employment Benefits Fund Advisory Committee (“Advisory Committee”) to advise the OCFO in its administration of the Plan.
2. The Plan is a single-employer defined benefit plan that provides health and life insurance benefits to retired eligible District employees. All employees hired after September 30, 1987, who retired under the Teachers Retirement System, Police and Fire Retirement Systems or who are eligible for retirement benefits under the Social Security Act, are eligible to participate in the Plan. The trust fund was established to hold and pay the District’s contributions for health and life insurance premiums for participants.
3. To continue insurance benefits into retirement, employees must have been continuously enrolled (or covered as a family member) under the D.C. Employees Health Benefits (DCEHB) program or the D.C. employees Group Life Insurance (DCEGLI) program for five years prior to retirement. If the participant was employed less than five years, the participant must have been enrolled for his/her length of employment. Coverage under Medicare is not considered in determining continuous coverage. Dependents are also covered if the employee elects family coverage.
4. Employee contributions are not required, prior to retirement to fund the Fund. Prior to March 2, 2010, the annuitant paid 25% of his/her health premium coverage, and the District paid the remaining 75%. The annuitant contribution was changed to a graded contribution schedule, effective March 2, 2010. For FY 2015, annuitants with at least 10 years of creditable District service, but less than 30 years of creditable District service, the District pays 25% of the insurance premium, plus an additional 2.5% for each year of creditable service over 10 years, provided that

the District's contribution shall not exceed 75% of the cost of the selected health benefit plan with annuitants paying the remainder. For annuitants with 30 or more years of creditable District service, or annuitants who are injured in the line of duty, the District pays 75% of the cost of the selected health benefit plan; and the annuitant pays 25% of the cost of the selected health insurance premiums.

5. Covered family members of an annuitant with at least 10 years of creditable District service, but less than 30 years of creditable District service, pay 80% of their health insurance premiums; and the District pays the remaining 20%, plus an additional 2.5% for each year of creditable District service over 10 years, provided that the District's contribution shall not exceed 60% of the cost of the selected health benefit plan for covered family members of an annuitant with 30 or more years of creditable District service and the family member pays 40% of the cost of the selected health benefit plan. The District pays 75% of the cost of the selected health benefit plan, and the family member pays 25% of the cost of the selected health benefit plan for covered family CFOPD-17-C-010A Preparation of Financial Statements and Audit Services - Component II OPEB Page 8 of 53 members of annuitants who are injured or killed in the line of duty. The impact this change will have on the District's portion of future OPEB costs has not been determined.
6. The Trust Fund's balance as of December 31, 2019 was \$1,510.2 billion. Trust Fund assets are currently invested in large cap value equity, large cap growth equity, mid cap equity, small cap equity, passive international equity and fixed income vehicles, which include intermediate aggregate core bond, and passive aggregate bond. Investments in Sudan and Iran must be avoided. OFT is responsible for the management of the Trust Fund. The District has a third-party consultant currently serving as the investment advisor to the OFT in connection with the Trust Fund.
7. The District anticipates, but does not warrant, that approximately \$47.3 million in additional funds will be deposited into the Trust Fund during the fiscal year ending September 30, 2020. The District anticipates, but does not warrant, that further additional funds will be deposited into the Trust Fund in subsequent fiscal years to fund the District's contribution for retiree health and life insurance.
8. The District has determined that the Trust Fund portfolio would benefit from Contractor services that will implement increased diversification and achieve improved investment performance while maintaining a prudent level of risk.
9. The asset classes and their relevant benchmarks on which the Contractor will advise will be described in the Investment Policy Statement ("IPS"). The primary governing document of the Plan is the IPS. The IPS provides direction for the investment and management of the financial assets of the Plan.
10. The District hereby warrants and represents to the Contractor that the Trust Fund is not subject to the Employee Retirement Income Security Act of 1974.

11. The District agrees to supply the Contractor with its current Trust Fund IPS and to promptly provide the Contractor with any amendments to said policy.
12. The OFT is responsible for the oversight of the investments in the Fund and has established an investment policy and procedures for the program. The duties and responsibilities of OFT include, but are not limited to, the financial administration and management of the Fund, the selection and monitoring of investment managers, the establishment of investment objectives, the determination of the investment policy, the establishment of management policies and the overall management and control of Fund assets.

### **C.3 GENERAL REQUIREMENTS**

1. The Contractor shall provide OCIO services to OFT, which shall include transitioning OFT from an investment consultant model IPS to an OCIO model IPS, providing OFT consulting services on investment policy matters during the transition period, and providing all of the required services that will be included in the OCIO model IPS.
2. The Contractor shall serve in a fiduciary capacity in the interest of the members and beneficiaries of the Plan and shall acknowledge in writing its fiduciary status, without qualification.
3. The Contractor shall, at minimum, have a ten-year operating history as provider of discretionary OCIO services and have current, and maintain, discretionary OCIO services assets under management of at least \$30 billion.
4. The Contractor shall utilize a dedicated and experienced investment staff, including portfolio managers, relationship managers, asset class researchers and manager researchers. Investment decisions related to the Plan shall be submitted to and approved by an internally authorized investment committee of the OCIO.
5. Except as otherwise disclosed to the District in writing, the Contractor shall apply its most favored nation (MFN) pricing with respect to the Contract, whereby, the Contractor represents and warrants that, as of the term of the Contract, no client of the Contractor pays less fee (after application of any relationship, eleemosynary or other discount or rebate) for the investment manager for services provided by the investment manager pursuant to this Contract. If the Contractor violates this provision, the District reserves the right to amend the Contract to provide the District the full benefit of such lower fee from the date on which such other client's lower fee first went into effect.
6. The Contractor, its parent or affiliate shall be a registered investment advisor with the SEC under the Investment Advisors Act of 1940.
7. The Contractor shall have dedicated employees involved in providing OCIO services and portfolio management services.

#### **C.4. TRANSITION SERVICES**

1. No more than 90 days from the Contract Effective date (i.e., the “Transition Period”), the Contractor shall convert the IPS (Attachment J.8) from its current Investment Consultant Model to an OCIO model. The Contractor shall draft the new OCIO model IPS, present the draft to the OFT along with a transition plan, revise the draft and transition plan as needed by OFT, and obtain OFT’s approval of the new OCIO model IPS and transition plan.
2. Before the end of the Transition Period, the Contractor shall provide the COTR a comprehensive written report (the “Report”) of the current state of the Plan as well a targeted ideal future state (“future state”) of the Plan based on their analysis and recommendations incorporating areas including, but not limited to, asset allocation, investment manager structure, investment objectives, performance measurement, and investment policies. The analysis contained within the Report shall be used by the Contractor as the key input for the Contractor’s drafting of the new IPS. The Contractor shall provide a detailed transition timeline and cost analysis related to investment management changes, as well as supporting detail.
3. The Transition Period shall end when the new OCIO model IPS is approved and signed by the Deputy Chief Financial Officer and Treasurer.
4. During the Transition Period, the Contractor shall provide OFT consulting services on investment policy matters and activities.

#### **C.5. LIABILITY-DRIVEN INVESTING REQUIREMENTS**

1. The Contractor shall incorporate Plan liabilities into its asset allocation process.
2. The Contractor shall have a minimum of ten years of experience in implementing, constructing and managing liability-driven investing (LDI) mandates.
3. The Contractor shall be involved with the plan actuary within the modeling process in creating the LDI strategy for OFT, if applicable.
4. The Contractor shall recommend to OFT its customary range of target allocations to public and private market asset classes using its asset class taxonomy for clients with funded and underfunded liabilities.

#### **C.6. INVESTMENT PHILOSOPHY AND PROCESS REQUIREMENTS**

1. The Contractor shall have, document and implement an investment philosophy and investment process that will enable the OPEB plan assets to outperform respective benchmarks while managing within risk tolerance metrics.

2. The Contractor shall have an investment process for managing an OCIO portfolio that successfully transitions OFT from its current model to the OCIO model.
3. The Contractor shall factor the OPEB's investment goals, achieving, at least, a 6.5% return over rolling three-year periods, and develop risk preferences into its approach to asset allocation.
4. The Contractor shall have modeling capabilities to formulate an asset allocation report detailing various scenarios and expected outcomes for public and private market asset classes using its asset class taxonomy.
5. The Contractor shall compare and contrast passive versus active management by asset class and recommend to OFT which to implement for each investment class. The Contractor shall have an allocation between active and passive management among asset classes within its asset class taxonomy.
6. The Contractor shall define and document each public and private market asset class within its asset class taxonomy used in its modeling.
7. The Contractor shall provide OFT an explanation and justification for the Contractor's strategic asset allocation and tactical asset allocation recommendations, including its process on re-balancing. The Contractor shall communicate any changes to either strategic asset allocation or tactical adjustments to OFT at least quarterly.
8. The Contractor shall incorporate alternative assets into its asset allocation process for the Plan and appropriately adjust return and risk parameters for alternative asset classes.
9. The Contractor shall determine and maintain an overall level of cash in the Plan based on Plan liabilities and maintain sufficient cash to meet the monthly cash flow needs to fund benefit payments and operational expenses. The Contractor shall determine cash targets for the District, factoring the District's unique operating cash needs as well as cash needed for portfolio re-balancing, including capital calls and capital distributions associated with specific private market investments of the Plan.
10. The Contractor shall select appropriate and relevant benchmarks for various public and private market asset classes and use those benchmarks to assess progress toward the District's goals.
11. As part of services provided during the transition to the new IPS, the Contractor shall define an excess return target and an excess risk (i.e., tracking error) target for the Plan relative to the policy index to be approved by OFT. The excess return target shall be net of all fees and expenses and the Contractor shall attempt to achieve this target over rolling three-year periods.

#### **C.7 MANAGER SEARCH, PORTFOLIO CONSTRUCTION, AND RISK MANAGEMENT**

1. The Contractor shall have internal manager research capabilities to evaluate, rank, monitor and select best in class investment managers in both public and private market asset classes.

2. The Contractor shall optimize the use of various investment vehicles (e.g., separately managed accounts, commingled funds, etc.) to construct the District's portfolios for optimal performance.
3. The Contractor may consider proprietary investment options for the Plan portfolio and shall address and mitigate any conflicts of interest.
4. The Contractor shall be responsible for prudently managing risk in the asset allocation, portfolio construction, and manager selection process. The Contractor shall clearly define, measure, and manage risk, as well as provide regular disclosure to OFT on its risk management process.

#### **C.8 REPORTING REQUIREMENTS**

1. The Contractor shall provide standardized and customized comprehensive performance reports of the Plan, at minimum, monthly, quarterly, annually and on request to OFT.
2. The Contractor shall provide standardized and customized comprehensive performance attribution reports of the Plan for various time periods that contains attribution analysis at the total fund, asset class, and investment manager levels.
3. The Contractor shall calculate and present the investment performance of the Plan that complies with CFA Institute Global Investment Performance Standards (GIPS). The Contractor shall reconcile (no material variances or explain them) its calculated performance with investment managers and custodians on a monthly basis.

#### **C.9 FIDUCIARY AND COMPLIANCE REQUIREMENTS**

1. The Contractor shall assume the role and responsibilities as a 3(38) fiduciary to the Plan and acknowledge acceptance of these responsibilities.
2. The Contractor shall have established policies and procedures to ensure compliance with the IPS. The Contractor shall have established policies and procedures to identify and avoid conflicts of interest in providing OCIO services. The Contractor shall disclose any conflicts of interest to OFT within thirty days of determining the conflict.
3. The Contractor shall adopt and implement written policies and procedures designed to prevent violation of federal securities laws, review those policies and procedures annually for their adequacy and the effectiveness of their implementation, and designate a chief compliance officer to be responsible for administering the policies and procedures.
4. The Contractor shall assist the District to satisfy its ongoing fiduciary due diligence requirements on an ongoing basis.
5. The Contractor shall comply with each of the requirements of any Prohibited Transaction Exemption (PTE) on which the Contractor relies in connection with its services under the Contract.
6. The Contractor shall have comprehensive written policies governing employee code of conduct, employee ethics, and employee conflicts of interest. The Contractor shall have a process for

mitigating these employee conflicts such that they do not negatively impact the District's OPEB Plan.

#### **C.10 TECHNOLOGY REQUIREMENTS**

1. The Contractor shall utilize a reliable, integrated, and robust technology platform with proprietary or third-party applications for various services under the Contract, such as risk management, asset allocation, manager search, performance reporting, and liability-driven investment (LDI).
2. The Contractor shall have and disclose a disaster recovery plan ensuring continuation of operations.
3. The Contractor shall utilize systems and metrics to manage and monitor risk.
4. Contractor shall be SOC compliant and provide an annual System and Organizational Controls report to demonstrate continued compliance.
5. The Contractor shall disclose if their systems routinely undergo penetration and vulnerability testing, as well as the frequency of those tests and whether they contract with a third party for independent testing. The Contractor will ensure the Plan's data is protected and segregated in their systems.
6. The Contractor shall make technology applications available to OFT where appropriate in order to enable OFT to review portfolio performance, monitor portfolio positions and risk, and access reports.

#### **C.11 NEW OCIO MODEL IPS REQUIREMENTS**

1. The new OCIO model IPS shall, at minimum, include the requirements in this Section for the Contractor to perform.
2. Investment Policy, Asset Allocation, and Risk
  - A) Every annual anniversary of the new IPS effective date; conduct a comprehensive Asset Allocation Study, which shall include, but is not limited to, recommending methodologies, assumptions, and asset classes for consideration.
  - B) Every annual anniversary of the new IPS effective date, conduct a review and analysis of the Plan's investment policies, recommending changes, if appropriate.
  - C) Provide advice and recommendations on various other investment policy issues (e.g. whether to hedge currency exposure in foreign equities).
  - D) Monitor changes in capital markets, economic conditions, and other relevant factors on an ongoing basis to assess their impact on the Fund and advise OFT accordingly.
  - E) Implement investment policies approved by OFT (e.g. asset allocation policy) and exercise

discretion in and manage the day-to-day administration of the investment function as detailed in the OCIO Investment Policy Statement.

3. Investment Manager Search, Selection, and Review

- A) Determine the investment manager structure for the Fund, and the associated manager mandates.
- B) For public and private market asset classes, conduct investment manager and partner searches and make hiring or terminate managers and partners recommendations in accordance with the IPS, other applicable policies of the Fund, and generally accepted industry standards and practices.
- C) Conduct investment and operational due diligence on prospective investment managers and partners.
- D) Develop a pacing schedule(s) for private markets, if applicable.
- F) Conduct periodic on-site due diligence visits of the Plan's investment managers and investment partners, at least once per year.
- G) Negotiate investment management and partnership agreements.
- H) Coordinate and conduct meetings with OFT and investment managers annually or as requested by OFT.

4. Investment Implementation and Operations

- A) Manage overall portfolio risk, including active risk ("tracking error"), as may be specified in the Plan's investment policies; and counterparty risks associated with any derivative positions.
- B) Manage portfolio rebalancing and portfolio transitions.
- C) Manage tactical portfolio adjustments around the strategic asset allocation, as appropriate.
- D) Implement, as appropriate, currency management programs, derivatives for hedging or other appropriate purposes and securities lending program.
- E) Vote proxies on behalf of the District.
- F) Execute all other day-to-day operational investment activities necessary to prudently administer the Plan.

5. Performance Monitoring and Reporting

- A) Monitor the performance of the Plan, each asset class, and investment manager relative to appropriate benchmarks.

- B) Provide ongoing monitoring and oversight of investment managers and partners to ensure compliance with laws and regulations, investment policies, and manager mandates, and assess organizational stability.
  - C) Monitor and evaluate investment costs including, but not limited to, manager trading and transaction costs.
  - D) Prepare and present performance reports to OFT, including regular quarterly reports and presentations.
  - E) Prepare a quarterly certification of compliance to the Investment Policy.
6. OFT Service and Education
- A) Attend scheduled quarterly meetings virtually or in person, as requested by OFT.
  - B) Attend ad-hoc telephone meetings, as requested by OFT.
  - C) Coordinate effectively with OFT, custodian bank, and other OPEB vendors (i.e., actuary, auditor, etc.).
  - D) Respond to inquiries by OFT between meetings.
  - E) Report significant changes in the Contractor's ownership, organizational structure, personnel, and other areas that may be relevant to OFT on a timely basis.
  - F) Obtain information from investment managers and partners in order for the OPEB to comply with regulatory and/or other requirements.
  - G) Provide education to OFT, as requested or required.
  - H) Provide OFT access to research published by the Contractor or research related to Fund investments. For example, capital market assumptions, capital markets commentary, and portfolio analysis reports.
7. Other Services
- A) Carry out any other duties or provide any other services that may be specified in, or required by, the Plan's Investment Policy Statement.
  - B) At the request of OFT, provide other reasonable services with sufficient advance notice to the Contractor. For example, meetings with other government officials and assisting with providing testimony.
8. Deliverables
- A) Provide quarterly performance reports of the Trust Fund and include investment analysis.
  - B) Provide annually the asset allocation assumptions (expected returns) and geometrically

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linked returns over 10 years and 20 years.

- C) Prepare a quarterly (or at least annual) certification of compliance to the Investment Policy.
- D) Provide ad-hoc reports when requested.

## **SECTION D**

### **PACKAGING AND MARKING**

#### **D.1 PACKAGING**

All reports and deliverables that are in “hard copy” and physically transported through the U.S. mail or private courier services are to be securely packaged using the Contractor’s best practices.

#### **D.2 MARKING**

- D.2.1 Unless otherwise specified herein, all reports and deliverables delivered under this contract must be plainly marked, stating the Contractor’s name, contract number and addressed to the recipient, including the name of the office or floor, and the recipient’s office telephone number as noted in the contract.
- D.2.2 In case of carload lots, the Contractor shall tag the car, stating Contractor’s name and contract number. Any failure to comply with these instructions will place the material at the Contractor’s risk.
- D.2.3 Deliveries by rail, water, truck or otherwise, must be within the working hours and in ample time to allow for unloading and if necessary, the storing of the materials or supplies before closing time. Deliveries at any other time will not be accepted unless specific arrangements have been previously made with the contact person identified in the contract at the delivery point.

## SECTION E

### INSPECTION, ACCEPTANCE AND WARRANTY OF SERVICES

#### E.1 INSPECTION

- E.1.1 All supplies, and services provided by the Contractor under this contract shall be subject to inspection by the Contracting Officer's Technical Representative ("COTR") identified in Section G.1 (b).
- E.1.2 Inspection of Supplies
- (a) Definition. "Supplies," as used in this clause, includes, but is not limited to raw materials, components, intermediate assemblies, end products, and lots of supplies.
  - (b) The Contractor shall be responsible for the materials or supplies covered by this contract until they are delivered at the designated point, but the Contractor shall bear all risk on rejected materials or supplies after notification of rejection. Upon the Contractor's failure to cure within ten (10) days after date of notification, the District may return the rejected materials or supplies to the Contractor at the Contractor's risk and expense.
  - (c) The Contractor shall provide and maintain an inspection system acceptable to the District covering supplies under this contract and shall tender to the District for acceptance only supplies that have been inspected in accordance with the inspection system and have been found by the Contractor to be in conformity with contract requirements. As part of the system, the Contractor shall prepare records evidencing all inspections made under the system and the outcome. These records shall be kept complete and made available to the District during contract performance and for as long afterwards as the contract requires. The District may perform reviews and evaluations as reasonably necessary to ascertain compliance with this paragraph. These reviews and evaluations shall be conducted in a manner that will not unduly delay the contract work. The right of review, whether exercised or not, does not relieve the Contractor of the obligations under this contract.
  - (d) The District has the right to inspect and test all supplies called for by the contract, to the extent practicable, at all places and times, including the period of manufacture, and in any event before acceptance. The District will perform inspections and tests in a manner that will not unduly delay the work. The District assumes no contractual obligation to perform any inspection and test for the benefit of the Contractor unless specifically set forth elsewhere in the contract.
  - (e) If the District performs inspection or test on the premises of the Contractor or subcontractor, the Contractor shall furnish, and shall require subcontractors to furnish, without additional charge, all reasonable facilities and assistance for the safe and convenient performance of these duties. Except as otherwise provided in the contract, the District will bear the expense of District inspections or tests made at other than Contractor's or subcontractor's premises; provided, that in case of rejection, the District will not be liable for any reduction in the value of inspection or test samples.
    - (1) When supplies are not ready at the time specified by the Contractor for inspection or test, the Contracting Officer may charge to the Contractor the

additional cost of inspection or test.

- (2) Contracting Officer may also charge the Contractor for any additional cost of inspection or test when prior rejection makes re-inspection or retest.
- (f) The District has the right either to reject or to require correction of nonconforming supplies. Supplies are nonconforming when they are defective in material or workmanship or otherwise not in conformity with contract requirements. The District may reject nonconforming supplies with or without disposition instructions.
  - (g) The Contractor shall remove supplies rejected or required to be corrected. However, the Contracting Officer may require or permit correction in place, promptly after notice, by and at the expense of the Contractor. The Contractor shall not tender for acceptance corrected or rejected supplies without disclosing the former rejection or requirement for correction, and when required, shall disclose the corrective action taken.
  - (h) If the Contractor fails to remove, replace, or correct rejected supplies that are required to be replaced or corrected within ten (10) days, the District may either (1) by contract or otherwise, remove, replace or correct the supplies and charge the cost to the Contractor or (2) terminate the contract for default. Unless the Contractor corrects or replaces the supplies within the delivery schedule, the Contracting Officer may require their delivery and make an equitable price reduction. Failure to agree to a price reduction shall be a dispute.
  - (i) If this contract provides for the performance of District quality assurance at source, and if requested by the District, the Contractor shall furnish advance notification of the time (i) when Contractor inspection or tests will be performed in accordance with the terms and conditions of the contract, and (ii) when the supplies will be ready for District inspection.
  - (j) The District request shall specify the period and method of the advance notification and the District representative to whom it shall be furnished. Requests shall not require more than 2 business days of advance notification if the District representative is in residence in the Contractor's plant, nor more than 7 business days in other instances.
  - (k) The District will accept or reject supplies as promptly as practicable after delivery, unless otherwise provided in the contract. District failure to inspect and accept or reject the supplies shall not relieve the Contractor from responsibility, nor impose liability upon the District, for non-conforming supplies.
  - (l) Inspections and tests by the District do not relieve the Contractor of responsibility for defects or other failures to meet contract requirements discovered before acceptance. Acceptance shall be conclusive, except for latent defects, fraud, gross mistakes amounting to fraud, or as otherwise provided in the contract.
  - (m) If acceptance is not conclusive for any of the reasons in subparagraph (l) hereof, the District, in addition to any other rights and remedies provided by law, or under provisions of this contract, shall have the right to require the Contractor (1) at no increase in contract price, to correct or replace the defective or nonconforming supplies at the original point of delivery or at the Contractor's plant at the Contracting Officer's election, and in accordance with a reasonable delivery schedule as may be agreed upon between the Contractor and the Contracting Officer; provided, that the Contracting Officer may require a reduction in contract price if the Contractor fails to meet such delivery schedule, or (2) within a reasonable time after receipt by the Contractor of notice of defects or noncompliance, to repay such portion of the contract as is equitable under the circumstances if the Contracting Officer elects not to require correction or

replacement. When supplies are returned to the Contractor, the Contractor shall bear the transportation cost from the original point of delivery to the Contractor's plant and return to the original point when that point is not the Contractor's plant. If the Contractor fails to perform or act as required in (1) or (2) above and does not cure such failure within a period of 10 days (or such longer period as the Contracting Officer may authorize in writing) after receipt of notice from the Contracting Officer specifying such failure, the District will have the right to return the rejected materials at Contractor's risk and expense or contract or otherwise to replace or correct such supplies and charge to the Contractor the cost occasioned the District thereby.

### E.1.3 Inspection of Services

- (a) Definition. "Services" as used in this clause includes services performed, workmanship, and material furnished or utilized in the performance of services.
- (b) The Contractor shall provide and maintain an inspection system acceptable to the District covering the services under this contract. Complete records of all inspection work performed by the Contractor shall be maintained and made available to the District during contract performance and for as long afterwards as the contract requires.
- (c) The District has the right to inspect and test all services called for by the contract, to the extent practicable at all times and places during the term of the contract. The District will perform inspections and tests in a manner that will not unduly delay the work.
- (d) If the District performs inspections or tests on the premises of the Contractor or subcontractor, the Contractor shall furnish, without additional charge, all reasonable facilities and assistance for the safety and convenient performance of these duties.
- (e) If any of the services do not conform to the contract requirements, the District may require the Contractor to perform these services again in conformity with contract requirements, at no increase in contract amount. When the defects in services cannot be corrected by performance, the District may require the Contractor to take necessary action to ensure that future performance conforms to contract requirements and reduce the contract price to reflect value of services performed. If the Contractor fails to promptly perform the services again or take the necessary action to ensure future performance in conformity to contract requirements, the District may (1) by contract or otherwise, perform the services and charge the Contractor any cost incurred by the District that is directly related to the performance of such services, or (2) terminate the contract for default.

## E.2 ACCEPTANCE

Acceptance of all products and services provided under this contract shall be performed by the COTR. Acceptance means approval by the COTR of specific services as partial or complete performance of the contract.

## E.3 WARRANTY OF SERVICES

- E.3.1 The time period for this warranty provision is the life of the contract plus all active options and extensions.

E.3.2 Warranty Provision:

- (a) Notwithstanding inspection and acceptance by the District or any provision concerning the conclusiveness thereof, the Contractor warrants that all services performed under this contract will, at the time of acceptance, be free from defects in workmanship and conform to the requirements of this contract. The Contracting Officer shall give written notice of any defect or nonconformance to the Contractor within 30 days from the date of discovery. This notice shall state either:
  - (1) That the Contractor shall correct or re-perform any defective or nonconforming services; or
  - (2) That the District does not require correction or reperformance.
- (b) If the Contractor is required to correct or reperform, it shall be at no cost to the District, and any services corrected or reperformed by the Contractor shall be subject to this clause to the same extent as work initially performed. If the Contractor fails or refuses to correct or reperform, the Contracting Officer may, by contract or otherwise, correct or replace with similar services and charge to the Contractor the cost occasioned to the District thereby, or make an equitable adjustment in the contract price.
- (c) If the District does not require correction or reperformance, the Contracting Officer shall make an equitable adjustment in the contract price.

## SECTION F

### PERIOD OF PERFORMANCE AND DELIVERABLES

#### F.1 TERM OF CONTRACT

The term of the contract shall be for a period of one year from the Contract Effective Date.

#### F.2 OPTION TO EXTEND THE TERM OF THE CONTRACT

F.2.1 The District may extend the term of this contract for a period of eight, one-year option periods, or successive fractions thereof, by written notice to the Contractor before the expiration of the contract; provided that the District will give the Contractor preliminary written notice of its intent to extend before the contract expires. The preliminary notice does not commit the District to an extension. The exercise of this option is subject to the availability of funds at the time of the exercise of this option.

F.2.2 If the District exercises this option, the extended contract shall be considered to include this option provision.

F.2.3 The price for the option period shall be as specified in the Section B of the contract.

#### F.3 DELIVERABLES

F.3.1 The Contractor shall perform the activities required to successfully complete the District's requirements and submit each deliverable to the COTR identified in Section G in accordance with Section C.

F.3.2 The Contractor shall submit to the District, as a deliverable, the report described in Section I.30 that is required by the 51% District Residents New Hires Requirements and First Source Employment Agreement. If the Contractor does not submit the report as part of the deliverables, final payment to the Contractor shall not be paid pursuant to Section G.6.

## SECTION G

### CONTRACT ADMINISTRATION

#### G.1 CONTRACT ADMINISTRATORS

##### (a) **Contracting Officer**

- i. The Contracting Officer (or “CO”) for this contract is:

Drakus Wiggins  
Contracting Officer  
1100 4<sup>th</sup> St. SW Suite E620  
Washington, DC 20024  
Telephone: (202) 442-7121  
Fax: 202-442-6454  
E-mail address: drakus.wiggins@dc.gov

- ii. The Contracting Officer is the only official authorized to legally bind the District and make changes to the requirements, terms and conditions of this contract. Only the Contracting Officer can increase, decrease, extend or terminate this contract. All other changes are unauthorized.
- iii. The Contractor shall not comply with any order, directive or request that changes or modifies the requirements of this contract, unless issued in writing and signed by the Contracting Officer.
- iv. In the event the Contractor effects any change at the instruction or request of any person other than the Contracting Officer, the change will be considered to have been made without authority and no adjustment will be made in the contract price to cover any cost increase incurred as a result thereof.

##### (b) **Contracting Officer Technical Representative (COTR)**

- i. The COTR for this contract is:

Rodney Dickerson  
Program Manager, 401(a) Retirement Plan and OPEB Trust  
1101 4th Street S.W. Suite 850W Washington, DC 20024  
(202) 727-0107  
[Rodney.Dickerson@dc.gov](mailto:Rodney.Dickerson@dc.gov)

- ii. The COTR is responsible for general administration of the contract and advising the Contracting Officer as to the Contractor’s compliance or noncompliance with the contract. The COTR has the responsibility of ensuring the work conforms to the requirements of the contract and such other responsibilities and authorities as may be specified in the contract. These include:

- a. Keeping the Contracting Officer fully informed of any technical or contractual difficulties encountered during the performance period and advising the Contracting Officer of any potential problem areas under the contract;
  - b. Coordinating site entry for Contractor personnel, if applicable;
  - c. Reviewing invoices for completed work and recommending approval by the Contracting Officer if the Contractor's costs are consistent with the negotiated amounts and progress is satisfactory and commensurate with the rate of expenditure;
  - d. Reviewing and approving invoices for deliverables to ensure receipt of goods and services.
  - e. Timely processing of invoices and vouchers in accordance with the District's payment provisions; and
  - f. Maintaining a file that includes all contract correspondence, modifications, records of inspections and invoice or vouchers.
- iii. The COTR does NOT have the authority to:
- a. Award, agree to, or sign any contract, delivery order or task order. Only the Contracting Officer shall make contractual agreements, commitments or modifications;
  - b. Grant deviations from or waive any of the terms and conditions of the contract;
  - c. Increase the dollar limit of the contract or authorize work beyond the dollar limit of the contract,
  - d. Authorize the expenditure of funds by the Contractor;
  - e. Change the period of performance; or
  - f. Authorize the use of District property, except as specified under the contract.
- iv. The Contractor will be fully responsible for any changes not authorized in advance, in writing, by the Contracting Officer; may be denied compensation or other relief for any additional work performed that is not so authorized; and may also be required, at no additional cost to the District, to take all corrective action necessitated by reason of the unauthorized changes.

## **G.2 PAYMENT**

- G.2.1 The Contractor shall charge the agreed upon fees to the participants fund that it administers.
- G.2.2 The Contractor shall provide quarterly financial statements with the amount of fees charged for the period. The District will reconcile the fee statements and approve. If there is a discrepancy, the contractor shall reimburse the funds. The District reserves the right to conduct post payment reviews or audits.

**G.3 INVOICE SUBMITTAL**

G.3.1 The Contractor shall submit proper invoices no more than on a monthly basis. Invoices shall be prepared and submitted to the Office of Financial Operations at [OMA.Invoicing@dc.gov](mailto:OMA.Invoicing@dc.gov) and the address below with concurrent copies to the COTR.

Office of the Chief Financial Officer  
Office of Management and Administration  
Financial Operations/Accounts Payable  
Attention: Comptroller  
1100 4<sup>th</sup> Street, SW Suite E600  
Washington, DC 20024

G.3.2 Invoices shall not contain charges for items not listed in the Pricing Schedule of Section B of the contract. Work performed outside this contract, for which there was no prior modification to include it under Section C, Description/Specification/Work Statement, shall not be included.

G.3.3 An invoice is a written request for payment under the contract for supplies delivered or services rendered. In order to be proper, an invoice must include as applicable, the following:

- (1) Name and address of the Contractor;
- (2) Invoice date;
- (3) Contract number or other authorization for supplies delivered or services performed;
- (4) Description, quantity, unit of measure, unit price and extended price of supplies delivered or services performed;
- (5) Shipping and payment terms (e.g., shipment number and date of shipment, prompt payment discount terms);
- (6) Name and address of Contractor official to whom the payment is to be sent (*must be the same as that on the contract or accompanied by a proper notice of assignment*);
- (7) Name (*where practicable*), title, phone number, mailing address of person to be notified in event of defective invoice; and
- (8) Any other information or documentation required by the Contract or Contracting Officer (such as evidence of shipment).

**G.3 STATEMENT SUBMITTAL**

G.3.1 The Contractor shall submit financial statements with an outline of fees charged for the performance of the services on a quarterly basis or as otherwise specified in this Section G.

- a. The Statements shall not contain charges for items not listed in the Schedule of Fees. Work performed outside this contract, for which there was no prior modification to include under Section C, Description/Specification/Work Statement, shall not be included.
- b. The Statements shall be prepared and submitted to the COTR.

## **G.4 THE QUICK PAYMENT ACT**

### **G.4.1 Interest Penalties to Contractors**

G.4.1.1 The District will pay interest penalties on amounts due to the Contractor under the Quick Payment Act, D.C. Official Code § 2-221.01 *et seq.*, as amended, for the period beginning on the day after the required payment date and ending on the date on which payment of the amount is made. Interest shall be calculated at the rate of at least 1% per month. No interest penalty shall be paid if payment for the completed delivery of the item of property or service is made on or before the required payment date. The required payment date shall be:

G.4.1.1.1 The date on which payment is due under the terms of this contract;

G.4.1.1.2 Not later than 7 calendar days, excluding legal holidays, after the date of delivery of meat or meat food products;

G.4.1.1.3 Not later than 10 calendar days, excluding legal holidays, after the date of delivery of a perishable agricultural commodity; or

G.4.1.1.4 30 calendar days, excluding legal holidays, after receipt of a proper invoice for the amount of the payment due.

G.4.1.2 No interest penalty shall be due to the Contractor if payment for the completed delivery of goods or services is made on or before:

G.4.1.2.1 3<sup>rd</sup> day after the required payment date for meat or a meat product;

G.4.1.2.2 5<sup>th</sup> day after the required payment date for an agricultural commodity; or

G.4.1.2.3 15<sup>th</sup> day after any other required payment date.

G.4.1.3 Any amount of an interest penalty which remains unpaid at the end of any 30-day period shall be added to the principal amount of the debt and thereafter interest penalties shall accrue on the added amount.

### **G.4.2 Payments to Subcontractors**

G.4.2.1 The Contractor shall take one of the following actions within seven (7) days of receipt of any amount paid to the Contractor by the District for work performed by any subcontractor under the contract:

G.4.2.1.1 Pay the subcontractor(s) for the proportionate share of the total payment received from the District that is attributable to the subcontractor(s) for work performed under the contract; or

G.4.2.1.2 Notify the CO and the subcontractor(s), in writing, of the Contractor's intention to withhold all or part of the subcontractor's payment and state the reason for the nonpayment.

G.4.2.2 The Contractor shall pay subcontractors or suppliers interest penalties on amounts due to the subcontractor or supplier beginning on the day after the payment is due and ending on the date on which the payment is made. Interest shall be calculated at the rate of at least 1% per month. No interest penalty shall be paid on the following if payment for the completed delivery of the item of property or service is made on or before the:

G.4.2.2.1 3<sup>rd</sup> day after the required payment date for meat or a meat product;

G.4.2.2.2 5<sup>th</sup> day after the required payment date for an agricultural commodity; or

G.4.2.2.3 15<sup>th</sup> day after any other required payment date.

G.4.2.3 Any amount of an interest penalty which remains unpaid by the Contractor at the end of any 30-day period shall be added to the principal amount of the debt to the subcontractor and thereafter interest penalties shall accrue on the added amount.

G.4.2.4 A dispute between the Contractor and subcontractor relating to the amounts or entitlement of a subcontractor to a payment or a late payment interest penalty under the Quick Payment Act does not constitute a dispute to which the District is a party. The District may not be interpleaded in any judicial or administrative proceeding involving such a dispute.

### **G.4.3 Subcontract requirements**

G.4.3.1 The Contractor shall include in each subcontract under this contract a provision requiring the subcontractor to include in its contract with any lower-tier subcontractor or supplier the payment and interest clauses required under paragraphs (1) and (2) of D.C. Official Code § 2-221.02(d).

G.4.3.2 The Contractor shall include in each subcontract under this contract a provision that obligates the Contractor, at the election of the subcontractor, to participate in negotiation or mediation as an alternative to administrative or judicial resolution of a dispute between them.

### **G.4 RESERVED**

### **G.5 RESERVED**

### **G.6 FIRST SOURCE AGREEMENT REQUEST FOR FINAL PAYMENT**

G.6.1 For contracts subject to the 51% District Residents New Hires Requirement and First Source Employment Agreement, final requests for payment shall be accompanied by the report or a waiver of compliance pursuant to Section I.31.

G.6.2 No final payment shall be made to the Contractor until the CFO has received the Contracting Officer's final determination or approval of waiver of the Contractor's compliance with 51% District Residents New Hires Requirement and First Source Employment Agreement requirements.

## SECTION H

### SPECIAL CONTRACT REQUIREMENTS

#### H.1 STAFFING

The Contractor shall not employ or permit the employment of any unfit or unqualified person or persons not skilled in the tasks assigned to them by the contractor. The Contractor shall at all times employ sufficient labor to carry out functions and services in the manner and time prescribed by the Contract. The Contractor shall be responsible to the District for all acts and omissions of the Contractor's employees, agents and subcontractors and the Contractor shall enforce strict discipline among the Contractor's employees, agents and subcontractors performing the services under the Contract. Any person employed by the Contractor shall, at the written request of the District, and within the District's sole discretion, be removed immediately by the Contractor from work relating to the Contract.

#### H.2 SUBCONTRACTS

The Contractor hereunder shall not subcontract any of the Contractor's work or services to any subcontractor without the prior, written consent of the Contracting Officer in consultation with the COTR. Any such subcontract shall specify that the Contractor and the subcontractor shall be subject to every provision of this Contract. Notwithstanding any such subcontract approved by the District, the Contractor shall remain liable to the District for all Contractor's work and services required hereunder, including any work conducted by a subcontractor.

#### H.3 RESERVED

#### H.4 WARRANTIES

- H.4.1 The Contractor warrants and agrees that it is lawfully organized and constituted under all federal, state and local laws, ordinances and other authorities of its domicile and is otherwise in full compliance with all legal requirements of its domicile.
- H.4.2 The Contractor warrants and agrees that it is of legal authority and capacity to enter into and perform under the Contract, and that it has the financial ability to perform its obligations under such Contract.
- H.4.3 The Contractor warrants and agrees that it has been duly authorized to operate and do business in all places where it will be required to do business under the Contract that it has obtained or will obtain all necessary licenses and permits required in connection with such Contract; and that it will fully comply with all laws, decrees, labor standards and regulations of its domicile and wherever performance occurs during the term of such Contract.
- H.4.4 The Contractor warrants and agrees that it has no present interest and shall not acquire any interest which would conflict in any manner with its duties and obligations under the Contract.
- H.4.5 The Contractor warrants and agrees that all systems analysis, systems design and programming pursuant to the Contract or for use in its performance there under has been and shall be

prepared or done in a high quality, professional and competent manner using only qualified personnel.

- H.4.6 The Contractor further represents and warrants that all programs implemented in its performance under the contract shall meet the performance standards required there under and shall correctly and accurately perform their intended functions on the equipment supplied by the District or Contractor.
- H.4.7 The Contractor warrants and agrees that all services provided by it under the Contract shall be performed in a prompt, high quality, professional and competent manner using only qualified personnel.
- H.4.8 The Contractor warrants and agrees that it will not take any action inconsistent with any of the terms, conditions, agreements, or covenants set forth in this Contract without the express written consent of the District.
- H.4.9 The Contractor warrants and agrees that it shall keep all equipment in good condition and repair, and shall not permit anything to be done that may materially impair the value thereof. The Contractor shall use such equipment only in the ordinary course of its performance under the Contract and shall not permit such equipment to be used in violation of any applicable law, regulation or policy of insurance. The Contractor agrees to develop a maintenance and replacement schedule subject to approval by the District and agrees to comply with that schedule.
- H.4.10 The Contractor warrants and agrees that it shall not sell, assign, lease, transfer, pledge, hypothecate, or otherwise dispose of any component of any goods, system proposed in the Contract or any interest therein, or permit any of it to become a fixture or accession to other goods or property without the prior written consent of the District.

## **H.5 DISCLOSURE OF LITIGATION**

The Contractor shall provide complete disclosure of any material civil or criminal litigation or indictment either threatened or pending involving the Contractor. The Contractor shall also disclose any material litigation threatened or pending for subcontractors, consultants, and/or lobbyists. For purposes of this section, material refers to any action or pending action that a reasonable person knowledgeable in the industry would consider relevant or any development such a person would want to be aware of in order to stay fully apprised of the total mix of information relevant to the industry and its operations. This is a continuing disclosure requirement; any litigation commencing after submission of a response to a solicitation or execution of a contract shall be disclosed in a written statement within fifteen (15) days of its occurrence. The Contractor shall be required to file with the District comprehensive monthly reports regarding all threatened or pending litigation involving the Contractor's District of Columbia operations and all threatened or pending litigation that may be considered material to the overall operations of the Contractor.

## **H.6 CONTINUITY OF SERVICES**

The Contractor recognizes that the services provided under this contract are vital to the District of Columbia and must be continued without interruption and that, upon contract expiration or termination, a successor, either the District Government or another Contractor, at the District's option, may continue to provide these services. If another Contractor is awarded a future contract for performance of the required services, the original Contractor shall cooperate fully with the District and the new Contractor in any transition activities that the Contracting Officer deems necessary during the term of the contract. To that end, the Contractor agrees to exercise its best efforts and cooperation to effect an orderly and efficient transition to a successor.

## **H.7 BACKGROUND INVESTIGATIONS AND OTHER INTEGRITY REQUIREMENTS**

H.7.1 The District may initiate investigations into the backgrounds of any of the Contractor's officers, principals, investors, owners, employees, vendors, subcontractors, or subcontractors' officers, principals, owners, employees or vendors, or any other associates of the Contractor(s) it deems appropriate. Such background investigations may include the completion of certain documents, and fingerprint identification by appropriate law enforcement agencies.

H.7.2 The Contractor agrees that, during the term of the Contract and any renewal thereof, it shall be obligated to provide such information about its officers, directors, employees and owners, as well as all information about its subcontractors' officers, directors, employees and owners, as the District may prescribe. The Contractor also agrees that the District may conduct background investigations of such persons.

H.7.3 The District may also require that contractors (1) fully cooperate with official inquiries by responding to questions truthfully and under oath when required, whether orally or in writing, (2) provide documents and other information of official interest, and (3) attend integrity training.

## **H.8 DIVERSION, REASSIGNMENT AND REPLACEMENT OF KEY PERSONNEL**

The key personnel specified in the contract are considered to be essential to the work being performed hereunder. Prior to diverting any of the specified key personnel for any reason, the Contractor shall notify the CO at least thirty (30) calendar days in advance and shall submit justification, including proposed substitutions, in sufficient detail to permit evaluation of the impact upon the contract. The Contractor shall obtain written approval of the CO for any proposed substitution of key personnel.

## **H.9 ADVISORY AND ASSISTANCE SERVICES**

This contract is a "non-personal services contract". The Contractor and the Contractor's employees: (1) shall perform the services specified herein as independent contractors, not as employees of the government; (2) shall be responsible for their own management and administration of the work required and bear sole responsibility for complying with any and all technical, schedule, financial requirements or constraints attendant to the performance of this contract; (3) shall be free from supervision or control by any government employee with

respect to the manner or method of performance of the service specified; but (4) shall, pursuant to the government's right and obligation to inspect, accept or reject work, comply with such general direction of the CO, or the duly authorized representative of the CO as is necessary to ensure accomplishment of the contract objectives.

## SECTION I

### CONTRACT CLAUSES

#### **I.1 LAWS AND REGULATIONS INCORPORATED BY REFERENCE**

To the extent applicable, the provisions of the following acts, together with the provisions of applicable regulations made pursuant to said acts are hereby incorporated by reference into this contract; together with the laws and regulations of the District of Columbia:

- A. RESERVED
- B. RESERVED
- C. RESERVED
- D. Mayor’s Order 85-85, dated June 10, 1985, as amended, entitled: “Compliance with Equal Opportunity Obligations in Contracts.”
- E. Public Law 93-112, Rehabilitation Act of 1973, Section 504, as amended.
- F. Mayor’s Order 83-265, dated November 9, 1983 entitled: Employment Agreement Goals and Objectives for all District of Columbia Projects.”
- G. D.C. Law 5-93, dated May 9, 1984, the First Source Employment Agreement Act of 1984.
- H. Protecting Pregnant Workers Fairness Act of 2016, D.C. Official Code § 32-1231.01 et seq. (PPWF Act).
- I. Unemployed Anti-Discrimination Act of 2012, D.C. Official Code § 32-1361 et seq.
- J. Fair Criminal Record Screening Amendment Act of 2014, effective December 17, 2014 (D.C. Law 20-152)
- K. Title I of the Way to Work Amendment Act of 2006, effective June 8, 2006 (D.C. Law 16-118, D.C. Official Code §2-220.01 et seq.), as amended, (“Living Wage Act of 2006”) which applies to all contracts for services in the amount \$100,000 or more in a 12-month period. The current living wage rate, the Living Wage Act Fact Sheet which includes exemption information, and the Living Wage Act Poster may be found at <https://does.dc.gov/service/office-wage-hour-compliance-0> or contact the Department of Employment Services at (202) 724-7000.

#### **I.2 WAIVER**

The waiver of any breach of the contract will not constitute a waiver of any subsequent breach thereof, or a waiver of the contract.

**I.3 INDEMNIFICATION**

- I.3.1 The Contractor agrees to defend, indemnify and hold harmless the District, its officers, agencies, departments, agents, and employees (collectively the “District”) from and against any and all claims, losses, liabilities, penalties, fines, forfeitures, demands, causes of action, suits, costs and expenses incidental thereto (including cost of defense and attorneys’ fees), resulting from, arising out of, or in any way connected to activities or work performed by the Contractor, Contractor’s officers, employees, agents, servants, subcontractors, or any other person acting for or by permission of the Contractor in performance of this Contract. The Contractor assumes all risks for direct and indirect damage or injury to the property or persons used or employed in performance of this Contract. The Contractor shall also repair or replace any District property that is damaged by the Contractor, Contractor’s officers, employees, agents, servants, subcontractors, or any other person acting for or by permission of the Contractor while performing work hereunder.
- I.3.2 The indemnification obligation under this section shall not be limited by the existence of any insurance policy or by any limitation on the amount or type of damages, compensation or benefits payable by or for Contractor or any subcontractor, and shall survive the termination of this Contract. The District agrees to give Contractor written notice of any claim of indemnity under this section. Additionally, Contractor shall have the right and sole authority to control the defense or settlement of such claim, provided that no contribution or action by the District is required in connection with the settlement. Monies due or to become due the Contractor under the contract may be retained by the District as necessary to satisfy any outstanding claim which the District may have against the Contractor.

**I.4 TRANSFER**

No contract or any interest therein shall be transferred by the parties to whom the award is made; such transfer will be null and void and will be cause to annul the contract.

**I.5 TAXES**

- (a) The Government of the District of Columbia is exempt from and will not pay Federal Excise Tax, Transportation Tax, and the District of Columbia Sales and Use Taxes.
- (b) Tax exemption certificates are no longer issued by the District for Federal Excise Tax. The following statement may be used by the supplier when claiming tax deductions for Federal Excise Tax exempt items sold to the District.

“The District of Columbia Government is Exempt from Federal Excise Tax –  
Registration No. 52-73-0206-K, Internal Revenue Service, Baltimore, Maryland.”

Exempt From Maryland Sales Tax, Registered With The Comptroller Of The Treasury  
– Exemption No. 09339

“The District of Columbia Government is Exempt from Sales and Use Tax –  
Registration No. 53-600, The District of Columbia Office of Tax and Revenue.”

## **I.6 OFFICIALS NOT TO BENEFIT**

- I.6.1 Unless a determination is made as provided herein, no officer or employee of the District will be admitted to any share or part of this contract or to any benefit that may arise therefrom, and any contract made by the Contracting Officer or any District employee authorized to execute contracts in which they or an employee of the District will be personally interested shall be void, and no payment shall be made thereon by the District or any officer thereof, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit. A District employee shall not be a party to a contract with the District and will not knowingly cause or allow a business concern or other organization owned or substantially owned or controlled by the employee to be a party to such a contract, unless a written determination has been made by the head of the procuring agency that there is a compelling reason for contracting with the employee, such as when the District’s needs cannot reasonably otherwise be met. (Procurement Practices Reform Act of 2010, D.C. Law 18-0371, D.C. Official Code, section 2-359.10, and Chapter 18 of the DC Personnel Regulations)
- I.6.2 The Contractor represents and covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. The Contractor further covenants not to employ any person having such known interests in the performance of the contract.

## **I.7 DISPUTES**

- A. All disputes arising under or relating to this contract shall be resolved as provided herein.
- B. **Claims by a Contractor against the District**  
Claim, as used in Section B of this clause, means a written assertion by the Contractor seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of contract terms, or other relief arising under or relating to this contract. A claim arising under a contract, unlike a claim relating to that contract, is a claim that can be resolved under a contract clause that provides for the relief sought by the claimant.
- (a) All claims by a Contractor against the District arising under or relating to a contract shall be in writing and shall be submitted to the Contracting Officer for a decision. The contractor’s claim shall contain at least the following:
- (1) A description of the claim and the amount in dispute;
  - (2) Any data or other information in support of the claim;
  - (3) A brief description of the Contractor’s efforts to resolve the dispute prior to filing the claim; and
  - (4) The Contractor’s request for relief or other action by the Contracting Officer.

- (b) The Contracting Officer may meet with the Contractor in a further attempt to resolve the claim by agreement.
- (c) For any claim of \$100,000 or less, the Contracting Officer shall issue a decision within sixty (60) days from receipt of a written request from a Contractor that a decision be rendered within that period.
- (d) For any claim over \$100,000, the Contracting Officer shall issue a decision within ninety (90) days of receipt of the claim. Whenever possible, the Contracting Officer shall take into account factors such as the size and complexity of the claim and the adequacy of the information in support of the claim provided by the Contractor.
- (e) The Contracting Officer's written decision shall do the following:
  - (1) Provide a description of the claim or dispute;
  - (2) Refer to the pertinent contract terms;
  - (3) State the factual areas of agreement and disagreement;
  - (4) State the reasons for the decision, including any specific findings of fact, although specific findings of fact are not required and, if made, shall not be binding in any subsequent proceeding;
  - (5) If all or any part of the claim is determined to be valid, determine the amount of monetary settlement, the contract adjustment to be made, or other relief to be granted;
  - (6) Indicate that the written document is the contracting officer's final decision; and
  - (7) Inform the Contractor of the right to seek further redress by appealing the decision.
- (f) Any failure by the Contracting Officer to issue a decision on a contract claim within the required time period will be deemed to be a denial of the claim, and will authorize the commencement of an appeal.
- (g)
  - (1) If a Contractor is unable to support any part of his or her claim and it is determined that the inability is attributable to a material misrepresentation of fact or fraud on the part of the Contractor, the Contractor shall be liable to the District for an amount equal to the unsupported part of the claim in addition to all costs to the District attributable to the cost of reviewing that part of the Contractor's claim.
  - (2) Liability under paragraph (g) (1) shall be determined within six (6) years of the commission of the misrepresentation of fact or fraud.

- (h) The decision of the Contracting Officer shall be final and not subject to review unless an appeal is timely commenced by the Contractor as authorized by CFO Order No. 15-14 Contracting Procedures for Services in Relation to Benefit Plans.
- (i) Pending final decision of an appeal, action, or final settlement, a Contractor shall proceed diligently with performance of the contract in accordance with the decision of the Contracting Officer.

**C. Claims by the District against a Contractor**

- (a) Claim as used in Section C of this clause, means a written demand or written assertion by the District seeking, as a matter of right, the payment of money in a sum certain, the adjustment of contract terms, or other relief arising under or relating to this contract. A claim arising under a contract, unlike a claim relating to that contract, is a claim that can be resolved under a contract clause that provides for the relief sought by the claimant.
- (b)
  - (1) All claims by the District against a Contractor arising under or relating to a contract shall be decided by the Contracting Officer.
  - (2) The Contracting Officer shall send written notice of the claim to the Contractor. The Contracting Officer's written decision shall do the following:
    - (a) Provide a description of the claim or dispute;
    - (b) Refer to the pertinent contract terms;
    - (c) State the factual areas of agreement and disagreement;
    - (d) State the reasons for the decision, including any specific findings of fact, although specific findings of fact are not required and, if made, shall not be binding in any subsequent proceeding;
    - (e) If all or any part of the claim is determined to be valid, determine the amount of monetary settlement, the contract adjustment to be made, or other relief to be granted;
    - (f) Indicate that the written document is the Contracting Officer's final decision; and
    - (g) Inform the Contractor of the right to seek further redress by appealing the decision.
  - (3) The decision shall be supported by reasons and shall inform the Contractor of its rights as provided herein.

- (4) The authority contained in this clause shall not apply to a claim or dispute for penalties or forfeitures prescribed by statute or regulation which another District agency is specifically authorized to administer, settle, or determine.
- (5) This clause shall not authorize the Contracting Officer to settle, compromise, pay, or otherwise adjust any claim involving fraud.
- (6) The decision of the Contracting Officer shall be final and not subject to review unless an appeal is timely commenced by the Contractor as authorized by CFO Order No. 15-14 Contracting Procedures for Services in Relation to Benefit Plans.
- (7) Pending final decision of an appeal, action, or final settlement, the Contractor shall proceed diligently with performance of the contract in accordance with the decision of the Contracting Officer.

## **I.8 CHANGES**

- (a) The CO may, at any time, by written order, and without notice to the surety, if any, make changes in the contract within the general scope hereof. If such change causes an increase or decrease in the cost of performance of the contract, or in the time required for performance, an equitable adjustment shall be made. Any claim for adjustment for a change within the general scope must be asserted within ten (10) days from the date the change is ordered; provided, however, that the CO, if he or she determines that the facts justify such action, may receive, consider, and adjust any such claim asserted at any time prior to the date of final settlement of the contract. If the parties fail to agree upon the adjustment to be made, the dispute shall be determined as provided in **Section I.7 Disputes**.
- (b) The District shall not require the Contractor, and the Contractor shall not require a subcontractor, to undertake any work that is beyond the original scope of the contract or subcontract, including work under a District-issued change order, when the additional work increases the contract price beyond the not-to-exceed price or negotiated maximum price of the contract, unless the CO:
  - (1) Agrees with the Contractor, and if applicable the subcontractor, on a price for the additional work;
  - (2) Obtains a certification of funding to pay for the additional work;
  - (3) Makes a written, binding commitment with the Contractor to pay for the additional work within thirty (30) days after the Contractor submits a proper invoice; and
  - (4) Provides the Contractor with written notice of the funding certification.
- (c) The Contractor shall include in its subcontracts a clause that requires the Contractor to:
  - (1) Within five (5) business days of its receipt of notice of the approved additional funding, provide the subcontractor with notice of the amount to be paid to the subcontractor for the additional work to be performed by the subcontractor;

- (2) Pay the subcontractor any undisputed amount to which the subcontractor is entitled for the additional work within ten (10) days of receipt of payment from the District; and
  - (3) Notify the subcontractor and CO in writing of the reason(s) the Contractor withholds any payment from a subcontractor for the additional work.
- (d) Neither the District, Contractor, nor any subcontractor may declare another party to be in default, or assess, claim, or pursue damages for delays until the parties agree on a price for the additional work.

## **1.9 TERMINATION FOR DEFAULT**

- A. The District may, subject to the provisions of paragraph C., below, by written notice of default to the Contractor, terminate the whole or any part of this contract in any one of the following circumstances: (i) If the Contractor fails to make delivery of the supplies or to perform the services within the time specified within the project work plan or any extension thereof; or (ii) If the Contractor fails to perform any of the other provisions of this contract, or so fails to make progress as to endanger performance of this contract in accordance with its terms and in either of these two circumstances does not cure such failure within a period of ten (10) days (or such longer period as the Contracting Officer may authorize in writing) after receipt of notice from the Contracting Officer specifying such failure.
- B. In the event the District terminates this contract in whole or part as provided in paragraph A. above, the District may procure, upon such terms and in such manner as the Contracting Officer may deem appropriate, supplies or service similar to those so terminated; and the Contractor shall be liable to the District for any excess costs for similar supplies or services. Provided, that the Contractor shall continue the performance of this contract to the extent not terminated under provisions of this clause. The Contractor shall work with any subsequent contractor to ensure a smooth transfer of information for a period of sixty (60) days.
- C. Except with respect to defaults of subcontractors, the Contractor shall not be liable for any excess costs if the failure to perform the contract arises out of causes beyond the control and without the fault or negligence of the contractor. Such causes may include, but are not restricted to, acts of God or of public enemy, acts of the District or Federal Government in either their sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of the subcontractor, and if such default arises out of causes beyond the control of both the Contractor and the subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any excess cost for failure to perform, unless the supplies or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required delivery schedule.
- D. If this contract is terminated as provided in paragraph A., above, the District in addition to any other rights provided in this clause, may require the Contractor to transfer title and deliver to the District, in the manner and to the extent directed by the Contracting Officer, (i)

completed supplies, (ii) such partially completed supplies and materials, information, and contract rights (herein after called “manufacturing materials”) as the Contractor has specifically produced or specifically produced or specifically acquired for the performance being terminated; and the Contractor, shall, upon direction of the Contracting Officer, protect and preserve property in possession of the Contractor in which the District has an interest. Payment for completed supplies delivered to and accepted by the District shall be at the contract price. Payment for manufacturing materials delivered to and agreed upon by the Contractor and Contracting Officer; failure to agree to such amount shall be a dispute concerning a question of fact. The District may withhold from amounts otherwise due the Contractor for such completed supplies or manufacturing materials such sums as the Contracting Office determines to be necessary to protect the District against loss because of outstanding liens or claims of former lien holders.

- E. If, after notice of termination of this contract under the provisions of this clause, it is determined for any reason that the Contractor was not in default under the provision of this clause, or that the default was excusable under the provisions of this clause, the rights and obligations of the parties shall, if the contract contains a clause providing for a termination for convenience be the same as if the notice of termination had been issued pursuant to such clause. Section I.10 “Termination for Convenience.”
- F. The rights and remedies of the District provided in this clause shall not be exclusive and are in addition to any rights and remedies provided by law or under this contract.
- G. As used in paragraph C., above, the terms “subcontractor” and “subcontractors” means subcontractor(s) at any tier.

**I.10 TERMINATION FOR CONVENIENCE**

(a) The District may terminate performance of work under this contract in whole or, from time to time, in part if the Contracting Officer determines that a termination is in the District’s interest. The Contracting Officer shall terminate by delivering to the Contractor a Notice of Termination specifying the extent of termination and effective date.

(b) After receipt of a Notice of Termination, and except as directed by the Contracting Officer, the Contractor shall immediately proceed with the following obligations, regardless of any delay in determining or adjusting any amounts due under this clause:

- (1) Stop work as specified in the notice.
- (2) Place no further subcontracts or orders (referred to as subcontracts in this clause) for materials, services, or facilities, except as necessary to complete the continued portion of the contract.
- (3) Terminate all contracts to the extent they relate to the work terminated.
- (4) Assign to the District, as directed by the Contracting Officer, all rights, title and interest of the Contractor under the subcontracts terminated, in which case the District

will have the right to settle or pay any termination settlement proposal arising out of those terminations.

(5) With approval or ratification to the extent required by the Contracting Officer, settle all outstanding liabilities and termination settlement proposals arising from the termination of subcontracts. The approval or ratification will be final for purposes of this clause.

(6) As directed by the Contracting Officer, transfer title and deliver to the District (i) the fabricated or unfabricated parts, work in process, completed work, supplies, and other materials produced or acquired for the work terminated, and (ii) the completed or partially completed plans, drawings, information, and other property that, if the contract has been completed, would be required to be furnished to the District.

(7) Complete performance of the work not terminated.

(8) Take any action that may be necessary, or that the Contracting Officer may direct, for the protection and preservation of the property related to this contract that is in the possession of the Contractor and in which the District has or may acquire an interest.

(9) Use its best efforts to sell, as directed or authorized by the Contracting Officer, any property of the types referred to in subparagraph (6) above; provided, however, that the Contractor (i) is not required to extend credit to any purchaser and (ii) may acquire the property under the conditions prescribed by, and at prices approved by, the Contracting Officer. The proceeds of any transfer or disposition will be applied to reduce any payments to be made by the District under this contract, credited to the price or cost of the work, or paid in any other manner directed by the Contracting Officer.

(c) After the expiration of ninety (90) days (or such longer period as may be agreed to) after receipt by the Contracting Officer of acceptable inventory schedules, the Contractor may submit to the Contracting Officer a list, certified as to quantity and quality of termination inventory not previously disposed of excluding items authorized for disposition by the Contracting Officer. The Contractor may request the District to remove those items or enter into an agreement for their storage. Within fifteen (15) days, the District will accept title to those items and remove them or enter into a storage agreement. The Contracting Officer may verify the list upon removal of the items, or if stored, within forty-five (45) days from submission of the list, and shall correct the list, as necessary, before final settlement.

(d) After termination, the Contractor shall submit a final termination settlement proposal to the Contracting Officer in the form and with the certification prescribed by the Contracting Officer. The Contractor shall submit the proposal promptly, but no later than one year from the effective date of termination, unless extended in writing by the Contracting Officer upon written request of the Contractor within this one-year period. However, if the Contracting Officer determines that the facts justify it, a termination settlement proposal may be received and acted on after one year or any extension. If the Contractor fails to submit the proposal within the time allowed, the Contracting Officer may determine, on the basis of information available, the

amount, if any, due to the Contractor because of the termination and shall pay the amount determined.

(e) Subject to paragraph (d) above, the Contractor and the Contracting Officer may agree upon the whole or any part of the amount to be paid because of the termination. The amount may include a reasonable allowance for profit on work done. However, the agreed amount, whether under this paragraph (e) or paragraph (f) below, exclusive of costs shown in subparagraph (f)(3) below, may not exceed the total contract price as reduced by (1) the amount of payment previously made and (2) the contract price of work not terminated. The contract shall be amended, and the Contractor paid the agreed amount. Paragraph (f) below shall not limit, restrict, or affect the amount that may be agreed upon to be paid under this paragraph.

(f) If the Contractor and the Contracting Officer fail to agree on the whole amount to be paid because of the termination work, the Contracting Officer shall pay the Contractor the amounts determined by the Contracting Officer as follows, but without duplication of any amounts agreed on under paragraph (e) above:

(1) The contract price for completed supplies or services accepted by the District (or sold or acquired under subparagraph (b)(9) above) not previously paid for, adjusted for any saving of freight and other charges.

(2) The total of :

(i) The costs incurred in the performance of the work terminated, including initial costs and preparatory expense allocable thereto, but excluding any costs attributable to supplies or services paid or to be paid under subparagraph (f)(1) above;

(ii) The cost of settling and paying termination settlement proposals under terminated subcontracts that are properly chargeable to the terminated portion of the contract if not included in subparagraph (f)(1) above; and

(iii) A sum, as profit on subparagraph f(1) above, determined by the Contracting Officer to be fair and reasonable; however, if it appears that the Contractor would have sustained a loss on the entire contract had it been completed, the Contracting Officer shall allow no profit under this subparagraph (iii) and shall reduce the settlement to reflect the indicated rate of loss.

(3) The reasonable cost of settlement of the work terminated, including-

(i) Accounting, legal, clerical, and other expenses reasonably necessary for the preparation of termination settlement proposals and supporting data;

(ii) The termination and settlement of subcontractors (excluding the amounts of such settlements); and

- (iii) Storage, transportation, and other costs incurred, reasonably necessary for the preservation, protection, or disposition of the termination inventory.
- (g) Except for normal spoilage, and except to the extent that the District expressly assumed the risk of loss, the Contracting Officer shall exclude from the amounts payable to the Contractor under paragraph (f) above, the fair value as determined by the Contracting Officer, of property that is destroyed, lost, stolen, or damaged so as to become undeliverable to the District or to a buyer.
- (h) The Contractor shall have the right of appeal, under the Disputes clause, from any determination made by the Contracting Officer under paragraphs (d), (f) or (j), except that if the Contractor failed to submit the termination settlement proposal within the time provided in paragraph (d) or (j), and failed to request a time extension, there is no right of appeal. If the Contracting Officer has made a determination of the amount due under paragraph (d), (f) or (j), the District will pay the Contractor (1) the amount determined by the Contracting Officer if there is no right of appeal or if no timely appeal has been taken, or (2) the amount finally determined on an appeal.
- (i) In arriving at the amount due the Contractor under this clause, there shall be deducted:
- (1) All unliquidated advances or other payments to the Contractor under the termination portion of the contract;
  - (2) Any claim which the District has against the Contractor under this contract; and
  - (3) The agreed price for, or the proceeds of sale of, materials, supplies, or other things acquired by the Contractor or sold under the provisions of this clause and not recovered by or credited to the District.
- (j) If the termination is partial, the Contractor may file a proposal with the Contracting Officer for an equitable adjustment of the price(s) of the continued portion of the contract. The Contracting Officer shall make any equitable adjustment agreed upon. Any proposal by the Contractor for an equitable adjustment under this clause shall be requested within ninety (90) days from the effective date of termination unless extended in writing by the Contracting Officer.
- (k) (1) The District may, under the terms and conditions it prescribes, make partial payments and payments against costs incurred by the Contractor for the terminated portion of the contract, if the Contracting Officer believes the total of these payments will not exceed the amount to which the Contractor shall be entitled.
- (2) If the total payments exceed the amount finally determined to be due, the Contractor shall repay the excess to the District upon demand together with interest computed at the rate of 10 percent (10%) per year. Interest shall be computed for the period from the date the excess payment is received by the Contractor to the date the excess payment is repaid. Interest shall not be charged on any excess payment due to a reduction in the

Contractor's termination settlement proposal because of retention or other disposition of termination inventory until 10 days after the date of the retention or disposition, or a later date determined by the Contracting Officer because of the circumstances.

(l) Unless otherwise provided in this contract or by statute, the Contractor shall maintain all records and documents relating to the terminated portion of this contract for 3 years after final settlement. This includes all books and other evidence bearing on the Contractor's costs and expenses under this contract. The Contractor shall make these records and documents available to the District, at the Contractor's office, at all reasonable times, without any direct charge. If approved by the Contracting Officer, photographs, micrographs, or other authentic reproductions may be maintained instead of original records and documents.

#### **I.11 TERMINATION OF CONTRACTS FOR CERTAIN CRIMES AND VIOLATIONS**

- A. The District may terminate without liability any contract and may deduct from the contract price or otherwise recover the full amount of any fee, commission, percentage, gift, or consideration paid in violation of this title if:
- (1) the Contractor has been convicted of a crime arising out of or in connection with the procurement of any work to be done or any payment made under this contract.
  - (2) There has been any breach or violation of:
    - (A) Any federal or District of Columbia law, or
    - (B) The contract provision against contingent fees.
- B. If a contract is terminated pursuant to this section, the Contractor: (i) May be paid only the actual costs of the work performed to the date of termination, plus termination costs, if any; and (ii) shall refund all profits or fixed fees realized under the contract.
- C. The rights and remedies contained in this Clause are in addition to any other rights or remedies provided by law, and the exercise of any of them is not a waiver of any other right or remedy provided by law.

#### **I.12 EXAMINATION OF THE BOOKS**

- I.12.1 The Contractor shall establish and maintain books, records, and documents (including electronic storage media) in accordance with generally accepted accounting principles and practices which sufficiently and properly reflect all revenues and expenditures of funds provided by the District under the contract that results from this solicitation. The Contractor shall retain all records, financial records, supporting documents, statistical records, and any other documents (including electronic storage media) pertinent to the contract for a period of three (3) years after termination of the contract, or if an audit has been initiated and audit findings have not been resolved at the end of three (3) years, the records shall be retained until resolution of the audit findings or any litigation which may be based on the terms of the contract. The Contractor shall assure that these records shall be subject at all reasonable times

to inspection, review, or audit by Federal, District, or other personnel duly authorized by the Contracting Officer.

I.12.2 The Contracting Officer, the DC Inspector General, OCFO, and the District of Columbia Auditor, and/or any of their duly authorized representatives shall, until three years after final payment, have the right to examine any directly pertinent books, documents, papers, and records of the Contractor involving transactions related to the contract.

**I.13 NON-DISCRIMINATION CLAUSE**

- (a) The Contractor shall not discriminate in any manner against any employee or applicant for employment that would constitute a violation of the District of Columbia Human Rights Act, approved December 13, 1977, as amended (D.C. Law 2-38; D.C. Official Code §2-1402.11) (2001 Ed.) (“Act” as used in this Section). The Contractor shall include a similar clause in all subcontracts, except subcontracts for standard commercial supplies or raw materials. In addition, Contractor agrees and any subcontractor shall agree to post in conspicuous places, available to employees and applicants for employment, notice setting forth the provisions of this non-discrimination clause as provided in Section 251 of the Act.
- (b) Pursuant to rules of the Office of Human Rights, published on August 15, 1986 in the D.C. Register, Mayor’s Order 2002-175 (10/23/02), 49 DCR 9883 and Mayor’s Order 2006-151 (11/17/06), 52 DCR 9351, the following clauses apply to this contract:
  - (1) The Contractor shall not discriminate against any employee or applicant for employment because of actual or perceived: race, color, religion, national origin, sex, age, marital status, personal appearance, sexual orientation, gender identity or expression, familial status, family responsibilities, disability, matriculation, political affiliation, genetic information, source of income, or place of residence or business. Sexual harassment is a form of sex discrimination which is prohibited by the Act. In addition, harassment based on any of the above protected categories is prohibited by the Act.
  - (2) The Contractor agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their actual or perceived: race, color, religion, national origin, sex, age, marital status, personal appearance, sexual orientation, gender identity or expression, familial status, family responsibilities, disability, matriculation, political affiliation, genetic information, source of income, or place of residence or business.

The affirmative action shall include, but not be limited to the following:

- (a) employment, upgrading or transfer;
- (b) recruitment or recruitment advertising;

- (c) demotion, layoff, or termination;
  - (d) rates of pay, or other forms of compensation; and
  - (e) selection for training and apprenticeship.
- (3) The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Agency, setting forth the provisions in subsections (b)(1) and (b)(2) concerning non-discrimination and affirmative action.
- (4) The Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment pursuant to the non-discrimination requirements set forth in subsection (b)(2).
- (5) The Contractor agrees to send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the contracting agency, advising the said labor union or workers' representative of that contractor's commitments under this nondiscrimination clause and the Act, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (6) The Contractor agrees to permit access to his books, records and accounts pertaining to its employment practices, by the Chief Procurement Officer or designee, or the Director of Human Rights or designee, for purposes of investigation to ascertain compliance with this chapter, and to require under the terms of any subcontractor agreement each subcontractor to permit access of such subcontractor's books, records, and accounts for such purposes.
- (7) The Contractor agrees to comply with the provisions of this chapter and with all guidelines for equal employment opportunity applicable in the District of Columbia adopted by the Director of the Office of Human Rights, or any authorized official.
- (8) The Contractor shall include in every subcontract the equal opportunity clauses, subsections (b)(1) through (b)(9) of this section, so that such provisions shall be binding upon each subcontractor or vendor.
- (9) The Contractor shall take such action with respect to any subcontract as the Contracting Officer may direct as a means of enforcing these provisions, including sanctions for noncompliance; provided, however, that in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or Contractor as a result of such direction by the Contracting Officer, the Contractor may request the District to enter into such litigation to protect the interest of the District.

#### **I.14 SERVICE CONTRACT ACT OF 1965**

Definitions:

“Act”, as used in this clause, means the Service Contract Act of 1965, as amended (41 U.S.C. 351- 358). “Contractor” as used in this clause, means the prime Contractor or any subcontractor at any tier. “Service employee” as used in this clause, means any person (other than a person employed in a bona fide executive, administrative, or professional capacity as defined in 29 CFR 541) engaged in performing a Government contract nor exempted under 41 U.S.C. 356, the principal purpose of which is to furnish services in the United States as defined in section 22.1001 of the Federal Acquisition Regulation. It includes all such persons regardless of the actual or alleged contractual relationship between them and a contractor.

- A. **Applicability.** To the extent that the Act applies, this contract is subject to the following provisions and to all other applicable provisions of the Act and regulations of the Secretary of Labor (29CFR 4). All interpretations of the Act in Subpart C of 29 CFR 4 are incorporated in this contract by reference. This clause does not apply to contracts or subcontracts administratively exempted by the Secretary of Labor or exempted by 41 U.S.C. 356, as interpreted in Subpart C, 29 CFR 4.
- B. **Compensation:** (i) The Contractor shall pay not less than the minimum wage and shall furnish fringe benefits to each service employee under this contract in accordance with wages and benefits determined by the Secretary of Labor or the Secretary’s authorized representative, as specified in any attachments to this contract; (ii) If there is an attachment, the Contractor shall classify any class of service employees not listed in it, but to be employed under this contract. The classification shall provide a reasonable relationship to those listed in the attachment. The Contractor shall pay that class wages and fringe benefits determined by agreement of the interested parties: The contracting agency, the Contractor, and the employees who will perform the contract or their representatives. If the interested parties do not agree, the Contracting Officer shall submit the question, with a recommendation for final determination to the Office of Government Contract Wage Standards, Wage and Hour Division Employment Standards Administration (ESA), and the Department of Labor. Failure to pay such employees the compensation agreed upon by the interested parties or finally determined by ESA is a contract violation. (iii) If the term of this contract is more than one (1) year, the minimum wages and fringe benefits required for service employees under this contract shall be subject to adjustment after 1 year and not less often than once every two (2) years under wage determinations issued by ESA.
- C. **Minimum Wage.** In the absence of a minimum wage attachment for this contract, the Contractor shall not pay any service or other employees performing this contract less than the minimum wage specified by section 6(a)(1) of the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 206). Nothing in this clause shall relieve the Contractor of any other legal or contractual obligations to pay a higher wage to any employee.

- D. **Successor Contracts.** If this contract succeeds a contract subject to the Act under which substantially the same services were furnished and service employees were paid wages and fringe benefits provided for in a collective bargaining agreement, then, in the absence of a minimum wage attachment to this contract, the Contractor may not pay any service employee performing this contract less than the wages and benefits, including those accrued and any prospective increases, provided for under that agreement. No Contractor may be relieved of this obligation unless the limitations of 29 CFR 4.1c (b) apply or unless the Secretary of Labor or the Secretary's authorized representative - (i) Determines that the agreement under the predecessor was not the result of arms-length negotiations, or (ii) Finds, after a hearing under 29 CFR 4.10, that the wages and benefits provided for by that agreement vary substantially from those prevailing for similar services in the locality.
- E. **Notification to Employees.** The Contractor shall notify each service employee commencing work on this contract of the minimum wage and any fringe benefits required to be paid, or shall post a notice of these wages and benefits in a prominent and accessible place at the work site, using such poster as may be provided by the Department of Labor.
- F. **Safe and sanitary working conditions.** The Contractor shall not permit services called for by this contract to be performed in building or surroundings or under working conditions provided by or under the control or supervision of the Contractor that are unsanitary, hazardous, or dangerous to the health or safety of service employees. The Contractor shall comply with the health standards applied under 29 CFR Part 1925.
- G. **Records.** The Contractor shall maintain for three (3) years from the completion of the work, and make available for inspection and transcription by authorized ESA representatives, a record of the following:
- (i) For each employee subject to the Act –
    - (a) Name and address;
    - (b) Work classification or classifications, rate or rates of wages and fringe benefits provided;
    - (c) Rate or rates of payments in lieu of fringe benefits, and total daily and weekly compensation;
    - (d) Daily and weekly hours worked; and
    - (e) Any deductions, rebates, or refunds from total daily and weekly compensation.
  - (ii) For those classes of service employees not included in any wage determination attached to this contract, wage rates or fringe benefits determined by the interested parties or by ESA under the terms of paragraph (B)(iii) of this clause.

A copy of the report required by paragraph (D) of this clause will fulfill this requirement.

- H. **Withholding of Payments and Termination of Contract:** The Contracting Officer shall withhold from the prime contractor under this or any other government contract with the prime contractor any sums the Contracting Officer, or an appropriate officer of the Labor Department, decides may be necessary to pay underpaid employees. Additionally, any failure to comply with the requirements of this clause may be grounds for termination for default.
- I. **Contractor's Report:** (i) If there is a wage determination attachment to this contract and any classes of service employees not listed on it are to be employed under the contract, the Contractor shall report promptly to the Contracting Officer the wages to be paid and the fringe benefits to be provided each of these classes, when determined under paragraph C. of this clause. (ii) If wages to be paid or fringe benefits to be furnished any service employee(s) under the contract are covered in collective bargaining agreement effective at any time when the contract is being performed, the prime Contractor shall provide to the Contracting Officer a copy of the agreement and full information on the application and accrual of wages and benefits (including any prospective increases) to service employees working on the contract. The prime Contractor shall report when contract performance begins, in the case of agreements then in effect, and shall report subsequently effective agreements, provisions, or amendments promptly after they are negotiated.
- J. **Variations, tolerances, and exemptions involving employment:** Notwithstanding any of the provisions in this clause, the following employees may be employed in accordance with the following variations, tolerances, and exemptions authorized by the Secretary of Labor: (i) In accordance with regulations issued under Section 14, of the Fair Labor Standards Act of 1938 by the Administrator of the Wage and Hour Division, ESA(29 CFR 520, 521, 524 and 525), apprentices, student learners, and workers whose earning capacity is impaired by age or by physical or mental deficiency or injury, may be employed at wages lower than the minimum wages otherwise required by section 2(a)(1) or 2(b)(1) of the Service Contract Act, without diminishing any fringe benefits or payments in lieu of these benefits required under section 2(a)(2) of the Act. (ii) The Administrator will issue certificates under the Act for employing apprentices, and student learners, disabled persons, or disabled clients of sheltered workshops not subject to the Fair Labor Standards Act of 1938, or subject to different minimum rates of minimum wages, but without changing requirements concerning fringe benefits for supplementary cash payments in lieu of these benefits; (iii) The Administrator may also withdraw, annul, or cancel such certificates under 29 CFR 525 and 528; and (iv) an employee engaged in an occupation in which the employee customarily and regularly receives more than \$30 a month in tips credited by the employer against the minimum wage required by section 2(a)(1) of the Act or section 2(b)(1) of the Act, in accordance with regulations in 29 CFR 531. However, the amount of credit shall not exceed 40 percent of the minimum rate specified in section 6(a) (1) of the Fair Labor Standards Act of 1938, as amended.

**I.15 RECOVERY OF DEBTS OWED THE DISTRICT**

The Contractor hereby agrees that the District may use all or any portion of any consideration or refund due the Contractor under the present contract to satisfy in whole or part, any debt due the District.

**I.16 NON-DISCLOSURE AGREEMENT**

- A. The Contractor shall maintain as confidential, and shall not disclose to third parties without the District's prior written consent, any District information including, but not limited to, the District's business activities, practices, systems, conditions, products, services, public information and education plans and related materials, and game and marketing plans.
- B. The Contractor shall at all times obtain the prior written approval from the Contracting Officer before it, any of its officers, agents, employees or subcontractors, either during or after expiration or termination of the contract, make any statement, or issue any material, for publication through any medium of communication, bearing on the work performed or data collected under this contract.
- C. No information regarding the Contractor's performance of the contract shall be disclosed by the Contractor to anyone other than District Government officials unless written approval is obtained in advance from the Contracting Officer.
- D. The District shall ensure that its personnel do not disclose to any non-District person or organization information concerning the process the Contractor uses to provide services under the awarded contract.

**I.17 GOVERNMENT PROPERTY FURNISHED OR ACQUIRED**

- I.17.1 The Contractor shall use District property, either furnished or acquired under this contract, only for performing this contract.
- I.17.2 The Contractor assumes the risk of, and shall be responsible for, any loss of District property upon its delivery to the Contractor as Government-furnished property. However, the Contractor is not responsible for reasonable wear and tear to District property or for District property properly consumed in performing this contract.
- I.17.3 The Contractor shall be responsible for the proper care, maintenance, and use of District property in its possession or control from the time of receipt until properly relieved of responsibility, in accordance with sound industrial practice and the terms of the contract.
- I.17.4 The Contractor shall be directly responsible and accountable for all District property in accordance with the provisions of the contract, including all District property in the possession or control of a subcontractor.

**I.20 RESEVED**

**I.21 APPROPRIATION OF FUNDS**

The District's liability under this contract is contingent upon the future availability of appropriated monies with which to make payment for the contract purposes. The legal liability on the part of the District for payment of any money shall not arise unless and until such monies shall have been provided. The District's obligation to pay under this contract is subject to the provisions of (i) the federal Anti-Deficiency Act, 31 U.S.C. §§1341, 1342, 1349, 1351; (ii) the District of Columbia Anti-Deficiency Act, D.C. Official Code §§ 47-355.01 – 355.08 (2001); (iii) D.C. Official Code § 47-105 (2001); and (iv) D.C. Official Code § 1-204.46 (2001), as the foregoing statutes may be amended from time to time. Any expenditures under the contract in excess of the encumbered budget authority are subject to appropriation or additional budget authority.

**I.22 MULTIYEAR CONTRACT**

If funds are not appropriated or otherwise made available for the continued performance in a subsequent year of a multiyear contract, the contract for the subsequent year shall be terminated, either automatically or in accordance with the termination clause of this contract. Unless otherwise provided for in this contract, the effect of termination is to discharge both the District and the Contractor from future performance of the Contract, but not from their existing obligations. The Contractor shall be reimbursed for the reasonable value of any nonrecurring costs incurred, but not amortized in the price of the supplies or services delivered under the Contract.

**I.23 – I.26 RESERVED**

**I.27 AMERICANS WITH DISABILITIES ACT OF 1990 (“ADA”)**

During the performance of the contract, the Contractor and any of its subcontractors shall comply with the ADA. The ADA makes it unlawful to discriminate in employment against a qualified individual with a disability. See 42 U.S.C. § 12101 et seq.

**I.28 FREEDOM OF INFORMATION ACT (“FOIA”)**

The District of Columbia's Freedom of Information Act, at D.C. Official Code § 2-532 (a)(3), requires the District to make available for inspection and copying any record produced or collected pursuant to a District contract with a private contractor to perform a public function, to the same extent as if the record were maintained by the agency on whose behalf the contract is made. If the Contractor receives a request for such information, the Contractor shall immediately send the request to the COTR designated in subsection G.1 who will provide the request to the FOIA Officer for the agency with programmatic responsibility in accordance with the D.C. Freedom of Information Act. If the agency with programmatic responsibility receives a request for a record maintained by the Contractor pursuant to the contract, the COTR will forward a copy to the Contractor. In either event, the Contractor is required by law to provide all responsive records to the COTR within the timeframe designated by the COTR. The FOIA Officer for the agency with programmatic responsibility will determine the releasability of the records. The District will reimburse the Contractor for the costs of

searching and copying the records in accordance with D.C. Official Code § 2-532 and Chapter 4 of Title 1 of the *D.C. Municipal Regulations*.

**I.29 RESERVED**

**I.30 INSURANCE**

- A. GENERAL REQUIREMENTS. The Contractor at its sole expense shall procure and maintain, during the entire period of performance under this contract, the types of insurance specified below. The Contractor shall have its insurance broker or insurance company submit a Certificate of Insurance to the CO giving evidence of the required coverage prior to commencing performance under this contract. In no event shall any work be performed until the required Certificates of Insurance signed by an authorized representative of the insurer(s) have been provided to, and accepted by, the CO. All insurance shall be written with financially responsible companies authorized to do business in the District of Columbia or in the jurisdiction where the work is to be performed and have an A.M. Best Company rating of A- / VII or higher. The Contractor shall require all of its subcontractors to carry the same insurance required herein.

All required policies shall contain a waiver of subrogation provision in favor of the Government of the District of Columbia.

The Government of the District of Columbia shall be included in all policies required hereunder to be maintained by the Contractor and its subcontractors (except for workers' compensation, professional liability and crime) as an additional insureds for claims against The Government of the District of Columbia relating to this contract, with the understanding that any affirmative obligation imposed upon the insured Contractor or its subcontractors (including without limitation the liability to pay premiums) shall be the sole obligation of the Contractor or its subcontractors, and not the additional insured. The additional insured status under the Contractor's and its subcontractors' Commercial General Liability insurance policies shall be effected using the ISO Additional Insured Endorsement form CG 20 10 11 85 (or CG 20 10 07 04 **and** CG 20 37 07 04) or such other endorsement or combination of endorsements providing coverage at least as broad and approved by the CO in writing. The Contractor and its subcontractors' liability policies (except for workers' compensation, professional liability, and crime) shall be endorsed using ISO form CG 20 01 04 13 or its equivalent so as to indicate that such policies provide primary coverage (without any right of contribution by any other insurance, reinsurance or self-insurance, including any deductible or retention, maintained by an Additional Insured) for all claims against the additional insured arising out of the performance of this Statement of Work by the Contractor or its subcontractors, or anyone for whom the Contractor or its subcontractors may be liable. These policies shall include a separation of insureds clause applicable to the additional insured.

If the Contractor and/or its subcontractors maintain broader coverage and/or higher limits than the minimums shown below, the District requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Grantee and subcontractors.

1. Commercial General Liability Insurance (“CGL”) - The Contractor shall provide evidence satisfactory to the CO with respect to the services performed that it carries a CGL policy, written on an occurrence (not claims-made) basis, on Insurance Services Office, Inc. (“ISO”) form CG 00 01 04 13 (or another occurrence-based form with coverage at least as broad and approved by the CO in writing), covering liability for all ongoing and completed operations of the Contractor, including ongoing and completed operations under all subcontracts, and covering claims for bodily injury, including without limitation sickness, disease or death of any persons, injury to or destruction of property, including loss of use resulting therefrom, personal and advertising injury, and including coverage for liability arising out of an Insured Contract (including the tort liability of another assumed in a contract) and acts of terrorism (whether caused by a foreign or domestic source). Such coverage shall have limits of liability of not less than \$1,000,000 each occurrence, a \$2,000,000 general aggregate (including a per location or per project aggregate limit endorsement, if applicable) limit, a \$1,000,000 personal and advertising injury limit, and a \$2,000,000 products-completed operations aggregate limit.
2. Automobile Liability Insurance - The Contractor shall provide evidence satisfactory to the CO of commercial (business) automobile liability insurance written on ISO form CA 00 01 10 13 (or another form with coverage at least as broad and approved by the CO in writing) including coverage for all owned, hired, borrowed and non-owned vehicles and equipment used by the Contractor, with minimum per accident limits equal to the greater of (i) the limits set forth in the Contractor’s commercial automobile liability policy or (ii) \$1,000,000 per occurrence combined single limit for bodily injury and property damage.
3. Workers’ Compensation Insurance - The Contractor shall provide evidence satisfactory to the CO of Workers’ Compensation insurance in accordance with the statutory mandates of the District of Columbia or the jurisdiction in which the contract is performed.

Employer’s Liability Insurance - The Contractor shall provide evidence satisfactory to the CO of employer’s liability insurance as follows: \$500,000 per accident for injury; \$500,000 per employee for disease; and \$500,000 for policy disease limit.

All insurance required by this paragraph 3 shall include a waiver of subrogation endorsement for the benefit of Government of the District of Columbia.

4. Crime Insurance (3rd Party Indemnity) - The Contractor shall provide a Crime policy including 3<sup>rd</sup> party fidelity to cover the dishonest acts of Contractor, its employees and/or volunteers which result in a loss to the District. The policy shall provide a limit of \$100,000 per occurrence.
5. Cyber Liability Insurance - The Contractor shall provide evidence satisfactory to the Contracting Officer of Cyber Liability Insurance, with limits not less than \$10,000,000 per occurrence or claim, \$10,000,000 aggregate. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Contractor in this agreement and shall include, but not limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information,

release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations. This insurance requirement will be considered met if the general liability insurance includes an affirmative cyber endorsement for the required amounts and coverages. Shared limits with the Professional Liability coverage will be acceptable.

6. Employment Practices Liability - The Contractor shall provide evidence satisfactory to the Contracting Officer with respect to the operations performed to cover the defense of claims arising from employment related wrongful acts including but not limited to: Discrimination, Sexual Harassment, Wrongful Termination, or Workplace Torts, whether between employees of contractor or against third parties. Employment Practices Liability coverage must specifically state Third Party Liability coverage is included. Contractor will indemnify and defend the District of Columbia should it be named co-defendant or be subject to or party of any claim. Coverage shall also extend to Temporary Help Firms and Independent Contractors hired by Contractor. The policy shall provide limits of not less than \$1,000,000 for each wrongful act and \$2,000,000 annual aggregate for each wrongful act.
7. Installation Floater Insurance - For projects involving District property being installed, fabricated or erected by a contractor, the contractor shall provide an installation floater policy with a limit equal to the full contract value. The policy shall cover property while located at the project site, at temporary locations, or in transit; deductibles will be the sole responsibility of the contractor.
8. Professional Liability Insurance (Errors & Omissions) - The Contractor shall provide Professional Liability Insurance (Errors and Omissions) to cover liability resulting from any error or omission in the performance of professional services under this Contract. The policy shall provide limits of \$50,000,000 per claim or per occurrence for each wrongful act and \$50,000,000 annual aggregate. The Contractor warrants that any applicable retroactive date precedes the date the Contractor first performed any professional services for the Government of the District of Columbia and that continuous coverage will be maintained or an extended reporting period will be exercised for a period of at least ten years after the completion of the professional services. Shared limits with the Cyber Liability coverage will be acceptable.
9. Commercial Umbrella or Excess Liability - The Contractor shall provide evidence satisfactory to the CO of commercial umbrella or excess liability insurance with minimum limits equal to the greater of (i) the limits set forth in the Contractor's umbrella or excess liability policy or (ii) \$10,000,000 per occurrence and \$10,000,000 in the annual aggregate, following the form and in excess of all liability policies. **All** liability coverages must be scheduled under the umbrella and/or excess policy. The insurance required under this paragraph shall be written in a form that annually reinstates all required limits. Coverage shall be primary to any insurance, self-insurance or reinsurance maintained by the District and the "other insurance" provision must be amended in accordance with this requirement and principles of vertical exhaustion.

B. PRIMARY AND NONCONTRIBUTORY INSURANCE.

The insurance required herein shall be primary to and will not seek contribution from any other insurance, reinsurance or self-insurance including any deductible or retention, maintained by the Government of the District of Columbia.

- C. DURATION. The Contractor shall carry all required insurance until all contract work is accepted by the District of Columbia and shall carry listed coverages for ten years for construction projects following final acceptance of the work performed under this contract and two years for non-construction related contracts.
- D. LIABILITY. These are the required minimum insurance requirements established by the District of Columbia. **HOWEVER, THE REQUIRED MINIMUM INSURANCE REQUIREMENTS PROVIDED ABOVE WILL NOT IN ANY WAY LIMIT THE CONTRACTOR'S LIABILITY UNDER THIS CONTRACT.**
- E. CONTRACTOR'S PROPERTY. Contractor and subcontractors are solely responsible for any loss or damage to their personal property, including but not limited to tools and equipment, scaffolding and temporary structures, rented machinery, or owned and leased equipment. A waiver of subrogation shall apply in favor of the District of Columbia.
- F. MEASURE OF PAYMENT. The District shall not make any separate measure or payment for the cost of insurance and bonds. The Contractor shall include all of the costs of insurance and bonds in the contract price.
- G. NOTIFICATION. The Contractor shall ensure that all policies provide that the CO shall be given thirty (30) days prior written notice in the event of coverage and / or limit changes or if the policy is canceled prior to the expiration date shown on the certificate. The Contractor shall provide the CO with ten (10) days prior written notice in the event of non-payment of premium. The Contractor will also provide the CO with an updated Certificate of Insurance should its insurance coverages renew during the contract.
- H. CERTIFICATES OF INSURANCE. The Contractor shall submit certificates of insurance giving evidence of the required coverage as specified in this section prior to commencing work. Certificates of insurance must reference the corresponding contract number. Evidence of insurance shall be submitted to:

**The Government of the District of Columbia**

**And mailed to the attention of:  
(Name of Contracting Officer/Agency)  
(Address)  
(Phone Number)  
(E-mail Address)**

The CO may request and the Contractor shall promptly deliver updated certificates of insurance, endorsements indicating the required coverages, and/or other evidence of the insurance policies. If the insurance initially obtained by the Contractor expires prior to

completion of the contract, renewal certificates of insurance and additional insured and other endorsements shall be furnished to the CO prior to the date of expiration of all such initial insurance. For all coverage required to be maintained after completion, an additional certificate of insurance evidencing such coverage shall be submitted to the CO on an annual basis as the coverage is renewed (or replaced).

- I. DISCLOSURE OF INFORMATION. The Contractor agrees that the District may disclose the name and contact information of its insurers to any third party which presents a claim against the District for any damages or claims resulting from or arising out of work performed by the Contractor, its agents, employees, servants or subcontractors in the performance of this contract.
- J. CARRIER RATINGS. All Contractor's and its subcontractors' insurance required in connection with this contract shall be written by insurance companies with an A.M. Best Insurance Guide rating of at least A- VII (or the equivalent by any other rating agency) and licensed in the in the District.

**I.31 51% DISTRICT RESIDENTS NEW HIRES REQUIREMENTS AND FIRST SOURCE EMPLOYMENT AGREEMENT**

- I.31.1 For contracts for services in the amount of \$300,000 or more, the Contractor shall comply with the First Source Employment Agreement Act of 1984, as amended, D.C. Official Code § 2-219.01 et seq. (First Source Act).
- I.31.2 The Contractor shall enter into and maintain during the term of the contract, a First Source Employment Agreement (Employment Agreement) with the District of Columbia Department of Employment Service's (DOES), in which the Contractor shall agree that:
  - (a) The first source for finding employees to fill all jobs created in order to perform the contract shall be the First Source Register; and
  - (b) The first source for finding employees to fill any vacancy occurring in all jobs covered by the Employment Agreement shall be the First Source Register.
- I.31.3 The Contractor shall not begin performance of the contract until its Employment Agreement has been accepted by DOES. Once approved, the Employment Agreement shall not be amended except with the approval of DOES.
- I.31.4 The Contractor agrees that at least 51% of the new employees hired to perform the contract shall be District residents.
- I.31.5 The Contractor's hiring and reporting requirements under the First Source Act and any rules promulgated thereunder shall continue for the term of the contract.
- I.31.6 DOES may impose penalties, including monetary fines of 5% of the total amount of the direct and indirect labor costs of the contract, for a willful breach of the Employment Agreement, failure to submit the required hiring compliance reports, or deliberate submission of falsified data.

- I.31.7 If the Contractor fails to meet the hiring requirements or does not receive a good faith waiver, the DOES may also impose an additional penalty equal to 1/8 of 1% of the total amount of the direct and indirect labor costs of the contract for each percentage by which the Contractor fails to meet its hiring requirements.
- I.31.8 Upon a second violation by a Contractor within a 10-year timeframe of requiring hiring or reporting requirements, or failure to receive a good faith waiver, DOES shall refer the Contractor for debarment for not more than five (5) years.
- I.31.9 Upon a second violation by a Contractor within a 10-year timeframe of the required hiring or reporting requirements, or failure to receive a good faith waiver, DOES may deem a Contractor ineligible of consideration for government-assisted projects within the District of Columbia for a period of not more than five (5) years.
- I.31.10 The contractor may appeal any decision of DOES pursuant to this clause to the D.C. Contract Appeals Board as provided in Section I.7.
- I.31.11 The provisions of the First Source Act do not apply to nonprofit organizations which employ 50 employees or less.

**I.32 COVENANT AGAINST CONTINGENT FEES**

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the District will have the right to terminate the contract without liability or in its discretion to deduct from the contract price or consideration or otherwise recover, the full amount of the commission, percentage, brokerage, or contingent fee.

**I.33 HEALTH AND SAFETY STANDARDS**

Items delivered under this contract shall conform to all requirements of the Occupational Safety and Health Act of 1970, as amended (“OSHA”), and Department of Labor Regulations under OSHA, and all Federal requirements in effect at time of bid opening/proposal submission.

**I.34 FORCE MAJEURE**

Neither the Contractor nor the District shall be deemed in default or otherwise liable hereunder due to either party’s inability to perform by reason of any fire, earthquake, flood, epidemic, accident, explosion, casualty, strike, lockout, labor controversy, riot, civil disturbance, act of public enemy, embargo, war, act of God, or any municipal, county, state or national ordinance or law, or any executive, administrative or judicial orders (which judicial orders are not the result of any act or omission to act which would constitute a default hereunder), or any failure or delay of any transportation, power or other essential thing required, or similar causes beyond the parties control.

**I.35 GOVERNING LAW**

This contract shall be governed by, and construed in accordance with, the Financial Management Control Order No. 15-14, OCFO Contracting Procedures for Services in Relation to Benefit Plans and the laws of the District of Columbia. Notwithstanding the foregoing, the provisions of the District of Columbia Procurement Practices Reform Act of 2010 (D.C. Code §2-351.01 et seq) , the Small and Certified Business Enterprise Development and Assistance Amendment Act of 2014 (D.C. Code §2-219.01 et seq) and D.C. MUN. REGS. tit. 27 shall not apply to this contract. The OCFO Contracting Procedures for Services in Relation to Benefit Plans can be found on the OCFO Office of Contracts website at <https://sites.google.com/a/dc.gov/ocfo-procurements/Procurement-Guidance>.

**I.36 ORDER OF PRECEDENCE**

A conflict in language shall be resolved by giving precedence to the document in the highest order of priority that contains language addressing the issue in question. The following documents are incorporated into the contract by reference and made a part of the contract in the following order of precedence:

- (1) Contract
- (2) Contract Attachments
- (3) BAFO (in order of the most recent to earliest)
- (4) Contractor Proposal

**I.37 REGULATORY MATTERS**

- (a) Contractor is registered with the Securities and Exchange Commission (“SEC”) as an investment adviser pursuant to the Investment Advisers Act of 1940 (the “Advisers Act”), and will at all times act in accordance with the fiduciary obligations set forth therein.
- (b) Contractor files a disclosure statement, Form ADV, with the SEC and maintains a brochure that contains all information required by Form ADV, Part 2A. The District acknowledges receipt of the brochure and, if applicable, any brochure supplements (Form ADV, Part 2B), from the Contractor before or at the time of entering into this Contract. Within 120 days of the end of each fiscal year, Contractor will deliver to the District its current brochure, including a summary of material changes to the brochure from the previous year. The District consents to electronic delivery of Form ADV, Part 2 and all other documents required to be provided by Contractor to the District under this Agreement or applicable law, rule or regulation.
- (c) Contractor has adopted a written Code of Ethics and other policies and procedures designed to avoid violations of the Advisers Act. A copy of the Code of Ethics and other policies will be provided to the District upon request.

**SECTION J**

**ATTACHMENTS**

The following Attachments are hereby incorporated.

- J.1 U.S. Department of Labor Wage Determination No. 2015-4281, Revision 15, Dated 12/23/2019
- J.2 Doing Business with Integrity
- J.3 Bidder/Offeror Certifications
- J.4 Past Performance Evaluation Form
- J.5 Office of Local Business Development Equal Employment Opportunity Information Report and Mayor's Order 85-85
- J.6 Department of Employment Services First Source Employment Agreement
- J.7 Department of Employment Services First Source Employment Plan
- J.8 Investment Policy Statement ("IPS")

**SECTION K**

**REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS**

**K.1 AUTHORIZED OFFICERS**

The Contractor shall list the names of persons authorized to negotiate on the Contractor's behalf in connection with this solicitation (list names, titles, and telephone numbers of the authorized negotiators):

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**K.2 PENDING LEGAL CLAIMS AGAINST THE DISTRICT**

The Offeror must disclose any pending legal claims against the District. Pending legal claims includes, but is not limited to, Federal and District court litigation, administrative actions such as contract appeals or protests, claims for money damages from the District, and any other type of action (court or administrative) against the District. Offerors with pending legal claims against the District are not automatically precluded from contract award. If Offerors does not have any pending legal claims against the District, please indicate this below.

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The Contractor hereby certifies that the information provided above is true, correct and complete.

_____	_____	_____
Signature	Date	Title

**K.3 TERMS AND CONDITIONS CERTIFICATION**

The Contractor hereby certifies that it has read, understands, acknowledges and agrees to comply with the terms and conditions as set forth in this solicitation/contract/resultant contract, *without exception*.

_____	_____	_____
Signature	Date	Title

## SECTION L

### INSTRUCTIONS, CONDITIONS AND NOTICES TO CONTRACTORS

#### L.1 SOLICITATION CONDITIONS

- L.1.1 (a) The District reserves the right to accept/reject any/all bids or proposal resulting from this solicitation.
- (b) The District may reject as non-responsive any bid or proposal that fails to conform in any material respect to this solicitation.
- (c) The Contracting Officer may reject all bids or proposals or waive any minor informality or irregularity in bids or proposals received whenever it is determined that such action is in the best interest of the District.
- L.1.2 (a) All bid or proposal documents will be retained by the District, and therefore will not be returned to the offeror.
- (b) Offerors are expected to examine the Scope of Work and all instructions and attachments in this Solicitation. Failure to do so shall be at the sole risk of the Offeror.
- (c) The District shall not be liable for any costs incurred any Offeror associated with the preparation of a bid or proposal submitted in response to this Solicitation.

#### L.2 EXPLANATION TO PROSPECTIVE OFFERORS

- L.2.1 If a prospective offeror has any questions, exceptions/alternatives it wishes to present to the District, or assumptions (referred to collectively herein as “inquiries”) relative to this solicitation, the prospective offeror shall email inquiries to the point of contact on Page 1 of this solicitation no later *May 19, 2020 2:00pm*. The District may not consider any inquiries received after the date specified. An amendment to the solicitation will be posted online on the Solicitation Gateway at <https://bit.ly/2GXc2r5> if that information is necessary in responding to the solicitation, or if the lack of its dissemination would be prejudicial to other prospective offerors. Oral explanations or instructions given before the award of the contract will not be binding on the District.
- L.2.2 Upon the release of this Solicitation and during the selection process, there shall be no communication concerning this Solicitation between any prospective Offeror and/or its representatives, and employees of the Government of the District of Columbia, consultants or advisors to the Government of the District of Columbia; and elected or appointed officials of the Government of the District of Columbia or their staff, except as provided for in this Solicitation. Any violation of this provision by any prospective Offeror and/or its representatives may be grounds for immediate disqualification.

### **L.3 PREPARATION AND SUBMISSION OF PROPOSALS**

**L.3.1** An Offeror shall submit its proposal in two (2) parts: (1) a technical proposal, and (2) a price proposal. The offeror shall label each part respectively, i.e., “Technical Proposal” and “Price Proposal.” See Section L.12 for delivery details.

#### **L.3.2 Technical Proposal**

- 1) For the Technical Proposal, Offerors are directed to the specific proposal evaluation factors found in Section M, Evaluation of this solicitation. The Offeror shall respond to the technical evaluation factors in a way that will allow the District to evaluate the Offeror’s response against the factors. The Offeror shall submit information in a clear, concise, factual and logical manner providing a comprehensive description of program supplies and services and delivery thereof. The information requested for the technical proposal shall facilitate evaluation for all proposals. The technical proposal must contain sufficient detail to provide a clear and concise response fully reflecting the manner in which the Offeror proposes to fully meet the requirements in Section C.
- 2) Representations, Certifications and Acknowledgements: The Offeror shall submit the following forms and information:
  - A. Section K, Representations, Certifications and Other Statements of Offerors
  - B. Solicitation, Offer and Award form (cover page) of this solicitation
  - C. Acknowledgement of Amendments – signed cover page of any amendments to
- 3) The Offeror’s Technical Proposal shall include (a) a cover page that details the Offeror’s legal name and address together with the name, title, phone number, and email address of the primary contact person for this solicitation, and (b) be organized and presented in the following clearly marked separate sections:

#### **I. Section: Organization Experience**

1. Describe your firm’s current capital structure and ownership. Describe any affiliate relationships. Describe the extent to which your organization’s professionals hold equity in the firm. Discuss any expected changes in ownership.
2. Provide a copy of your SEC Form ADV to demonstrate evidence that your firm, parent or affiliate, is a registered investment advisor with the SEC under the Investment Advisors Act of 1940.
3. Briefly describe your firm, including history, primary business lines, size, number of employees overall, number of employees involved in providing investment management services, and credit rating, if applicable.
4. Provide a history of your firm’s Outsourced Chief Investment Officer (“OCIO”) business that include how long your firm been performing OCIO services and what portion of your firm's revenues comes from OCIO.

5. Describe the organizational structure of the OCIO group in addition to providing a brief description of the various roles and provide an illustrative organizational chart.
6. Provide an overview of the culture and goals of the firm and what you think makes your firm an ideal fit for the OCIO services the Plan intends to procure.
7. Provide biographies or resumes of the key personnel and key subcontractor investment professionals that will be responsible for the management of the portfolio and the management of the relationship to demonstrate the team’s qualifications. The qualifications should identify the roles and responsibilities and present the level of experience and proficiency of the Offeror’s key staff in providing the required services, as referenced in Section C. The key personnel should include those required in Sections C.3.4, C.3.7, and C.9.3.

**II. Section: Operating History and Governance**

1. Indicate the total OPEB assets in your firm’s OCIO practice to demonstrate the firm meets the requirements of Section C.3.3.
2. Detail your OCIO client base (in the table below or similar) by the following client types to demonstrate the firm meets the requirements of Section C.3.3:

<b>Number of Clients</b>	<b>Type of Client</b>	<b>Total OCIO Assets (\$)</b>	<b>Median AUM per client (\$)</b>	<b>Median relationship tenure</b>
	Non-profit			
	Healthcare			
	Corporate			
	Multi-employer			
	Public/Government			

3. Explain how many discretionary OCIO clients and the client’s asset size, if any, has your firm lost and added in the past three (3) years.
4. Indicate any significant developments affecting your firm in the last five (5) years, such as changes in ownership, restructuring, and personnel changes. Also indicate any planned or anticipated changes in the ownership or management of your firm during the next two (2) years.
5. Provide a completed Attachment J.4, Past Performance Evaluation Form from at least three (3) current OCIO clients. The District may contact these clients to further discuss the client’s satisfaction with your firm’s customer services, access and utility of technology, responsiveness and relationship management, and meeting or exceeding policy index performance. Provide the client’s name, contact number and email, and relationship tenure with your firm.

6. Provide an overview and a copy of the firm's written policies governing employee code of conduct, ethics, and conflict of interest and process for mitigating those conflicts as required in Section C.9.6.
7. Describe any potential conflicts of interest your firm, affiliates or parent may have which would impact the management of OFT's investments and describe the firm's process for mitigating those conflicts as required in Section C.9.2.
8. Explain if your firm has been involved in any business litigation or proceedings related to management of investment funds over the past 5 years.

### **III. Section: Liability-Driven Investing**

1. Describe the firm's capabilities to incorporate plan liabilities into your firm's asset allocation process.
2. Describe your firm's capabilities and experience in implementing liability-drive investing (LDI) mandates, including your philosophy and the approach you use to construct and manage liability-driven mandates.
3. Provide an example of an LDI strategy you have implemented, and the process and model that was utilized in creating the LDI strategy.
4. Describe your firm's involvement with the plan actuary within the modeling process.
5. Describe your approach to recommend to OFT a customary range of target allocations for public and private market asset classes relative to those recommended to clients with funded and underfunded liabilities.

### **IV. Section: Investment Philosophy and Process**

1. Describe your firm's investment philosophy and investment process.
2. Describe your investment process for managing an OCIO portfolio, including your approach to transition OFT to the OCIO model.
3. Describe how you would factor the OPEB's investment goals and risk preferences into your firm's approach to meet the requirement of C.6.3.
4. Describe your firm's asset allocation process, including your firm's modeling capabilities.
5. Describe your firm's approach and rationale to recommend to OFT between active and passive management of various asset classes.

6. Describe your firm's approach to define an asset class for the purpose of asset allocation modeling and disclose the asset classes within your asset class taxonomy.
7. Describe your firm's approach to incorporate alternative assets into the asset allocation process and your methodology to adjust return and risk parameters for alternative asset classes. The description should include what you adjust and why.
8. Describe your firm's approach, rationale, and process, including re-balancing, to recommend to OFT strategic and tactical asset allocation and describe how changes are planned to be communicated, particularly tactical adjustments.
9. Explain the overall level of cash you plan to maintain in the OFT Plan. Explain how you arrive at a cash target for OFT, factoring in OFT's unique operating cash needs as well as cash needed for portfolio re-balancing, including capital calls and capital distributions associated with private market investments.
10. Describe how your firm selects benchmarks for various asset classes and how those benchmarks would be used to assess progress toward OFT's goals.
11. Describe your firm's approach to define an excess return target and a risk target for the Plan as referenced in Section C.6.10 of the requirements.
12. Provide an OPEB case study, as a demonstrated sample of the firm's planned report required in Section C.4.2, using publicly available information on the OPEB (i.e., financials, investment policy statement), that provides a concise analysis on current state, recommended changes if any, transition timeline and cost, as well as supporting detail.

#### **V. Section: Manager Search, Portfolio Construction, and Risk Management**

1. Describe your firm's manager research capabilities. Include information on how you evaluate, rank, and monitor investment managers. The description should outline the private markets capabilities and experience your team can bring to the Plan as detailed in Section C.7.1 of the requirements.
2. Detail what types investment vehicles (e.g., separately managed accounts, commingled funds, etc.) you plan to utilize to construct the Plan portfolios. Explain what proportion of these products are proprietary vs. non-proprietary.
3. Explain if your firm will consider any proprietary investment options for the portfolio. Explain how you will address potential conflicts of interest and address any incentives for using proprietary products, if applicable.
4. Describe how your firm approaches portfolio construction at the asset class level and at the total portfolio level as detailed in Section C.7.4 of the requirements.
5. Describe your firm's approach to managing risk in the asset allocation, portfolio construction, and manager selection process. Specifically, describe how you define,

measure, and manage risk. In the description, include details on any systems and metrics your firm uses to manage and monitor risk, your firm's approach to risk reporting, its process and provide a sample of the reports you will provide to OFT on a regular basis, as detailed in Section C.7.4 of the requirements.

## **VI. Section: Reporting**

1. Provide a sample of the monthly, quarterly, annual reporting OFT will receive. Outline how and when these would be provided, the various ways OFT could access them. Describe the firm's ability to customize reports on request.
2. Describe your company's performance attribution reporting capabilities and provide samples to demonstrate your firm's approach to meet the requirement in Section C.8.2.
3. Explain what methods and sources of data you will use in calculating investment performance of the Plan's portfolio to demonstrate your compliance with CFA Institute Global Investment Performance Standards (GIPS) for rate calculation and describe your process to reconcile your calculated performance with investment managers and custodians.

## **VII. Section: Fiduciary and Compliance**

1. Describe your role and responsibilities as a fiduciary to the Plan, including the level of fiduciary responsibility you plan to assume, and how you will acknowledge your acceptance of these responsibilities.
2. Describe the policies and procedures your firm has or will established to ensure compliance with OFT's investment policy statements.
3. Describe how your approach to assist OFT in satisfying its ongoing fiduciary due diligence requirements on an ongoing basis.
4. List all Prohibited Transaction Exemptions (PTEs) on which you intend to rely in connection with your services and explain your approach to contractually agree to comply with each of the requirements of the listed PTEs.
5. Disclose any fees/consideration received for placing clients/accounts with certain managers or certain product investments, both proprietary and non-proprietary; describe in detail any mutual fund revenue sharing (recapture), 12b-1 fees, finder's fees, directed brokerage commissions (separate accounts), collective trust rebates, and any other revenues or fee rebates; and explain how such fee structures complies with the firm's established policies and procedures to identify and avoid conflicts of interest in providing OCIO services as required in Section C.9.2 of the requirements.

## **VIII. Section: Relationship Management and Asset Class Performance**

1. Outline your firm's succession plan in the event of staff turnover.

2. Describe how you manage the workload of relationship managers from an enterprise level and if there is a set number of client relationships per team member.
3. Provide a written plan for the on-boarding process you will use for OFT.
4. Provide examples of on-going education and published research you plan to make available to OFT to meet Section C.11.6.G and C.11.6.H.
5. To demonstrate your firm's expertise in asset class performance, provide composite performance for at least four public and/or private market asset classes. For example, U.S. equities – large-cap core, Non-U.S. equities – developed markets core, U.S. investment grade fixed income – core, U.S. below investment grade fixed income. Also, describe the general make up of those composites, if the composites are calculated in accordance with CFA Institute Global Investment Performance Standards (GIPS) and if the composites are GIPS verified.

### **IX Section: Technology**

1. Describe your technology platform, provide detail on the applications used for various purposes (e.g., risk management, asset allocation, manager search, performance reporting, LDI, etc.) and various applications used and whether these systems are proprietary or non-proprietary.
2. Describe how your firm prioritizes technology in its growth strategy to meet the requirements in Section C.10.1 to ensure your technology remains reliable and robust.
3. Explain and detail any of the applications that may be made available to OFT, such as a client dashboard to meet the requirement of Section C.10.6.
4. Provide a copy of your disaster recovery plan.
5. Provide a copy of your most recent System and Organization Controls (SOC) report that demonstrates compliance with Section C.10.4.

### **L.3.3 Price Proposal**

The Offeror's Price Proposal shall be submitted as follows:

- 1) Cover page narrative that describes the budget methodology and detail cost factors Completed Section B, Pricing Schedule
- 2) J.3 Bidder/Offeror Certifications
- 3) The Offeror's Dun & Bradstreet (D&B) D-U-N-S Number, recent financial statement prepared in accordance with Generally Accepted Auditing Standards (GAAS) by a certified public accountant, or a copy of the Offeror's most recently submitted IRS tax filing

### **L.4 SIGNING BIDS, PROPOSALS, AND CERTIFICATIONS**

Each bid or proposal must show a full business address and telephone number and email address of the Offeror and be **SIGNED BY A PERSON OR PERSONS LEGALLY**

**AUTHORIZED TO BIND THE ENTITY TO THE TERMS AND CONDITIONS OF THE CONTRACT.** All correspondence concerning the bid or proposal or resulting contract will be mailed to the address shown on the bid or proposal in the absence of written instructions from the Offeror or contractor to the contrary. Any bid or proposal submitted by a partnership must be signed with the partnership name by a general partner with authority to bind the partnership. Any bid or proposal submitted by a corporation must be signed with the name of the corporation, followed by the signature and title of the person having authority to sign for the corporation. Upon request, an Offeror shall provide to the District satisfactory evidence of authority of the person signing on behalf of the corporation. If an agent signs a bid or proposal, the Offeror shall submit to the Contracting Officer evidence satisfactory to the Contracting Officer of the agent's authority to bind the Offeror. The Offeror shall complete and sign all Representations, Certifications and Acknowledgements in this solicitation. Failure to do so may result in a bid or proposal being rejected.

**L.5 ERRORS IN BIDS OR PROPOSALS**

Offerors shall thoroughly familiarize themselves with the terms and conditions of this Solicitation, acquainting themselves with all available information regarding difficulties that may be encountered and the conditions under which the work is to be accomplished. Offerors will not be relieved from assuming all responsibility for properly estimating the difficulties and the cost of performing the services required herein due to their failure to investigate the conditions or to become acquainted with all information, schedules and liability concerning the services to be performed. In event of a discrepancy between a unit price and a total price, the unit price shall govern.

**L.6 BIDS OR PROPOSALS FOR ALL OR PART**

Unless otherwise specified in the solicitation, the Contracting Officer may make award either on all items or on any of the items according to the best interests of the District. Unless prohibited by the solicitation, An Offeror may specify that the Offeror will accept award based on all of the items required.

**L.7 WITHDRAWAL OR MODIFICATION OF BIDS OR PROPOSALS**

An Offeror may modify or withdraw its bid or proposal upon written notice or facsimile transmission, or via email if received in the location designated in the solicitation for submission of bids or proposals, but not later than the exact time set for opening of bids or due date for proposals.

**L.8 LATE BIDS OR PROPOSALS, LATE MODIFICATIONS, AND LATE WITHDRAWALS**

- L.8.1 Any bid or proposal or modification to any bid or proposal received at the location designated in the solicitation after the time and date set for receipt of bids or proposals shall be considered "late" unless it was received prior to the contract award and any of the following applies:

- (a) It was sent by registered or certified mail not later than five (5) calendar days before the date and time specified for receipt of offers;
- (b) It was sent by mail and the contracting officer determines that the late receipt was due solely to mishandling by the District after receipt at the location specified in the solicitation;
- (c) Section L.12 requires electronic delivery and it was sent electronically by the offeror prior to the time and date specified and there is objective evidence in electronic form confirming that the offer was received prior to the date and time specified for receipt; or
- (d) It was the only bid or proposal received.

- L.8.2 Any request for withdrawal or request for modification of an offer received after the time and date set for receipt of bids or proposals is late.
- L.8.3 A late bid or proposal, late request for modification, or late request for withdrawal shall not be considered, except as provided in this section.
- L.8.4 A late modification of a successful bid or proposal which makes its terms more favorable to the District shall be considered at any time it is received and may be accepted.
- L.8.5 A late bid or proposal, late modification of offer, or late withdrawal of offer that is not considered shall be held unopened, unless opened for identification, until after award and then retained with unsuccessful offers.
- L.8.6 If any information received electronically is unreadable, the contracting officer immediately shall notify the offeror and permit the offeror to resubmit the unreadable portion of the information. The method and time for resubmission shall be prescribed by the contracting officer after consultation with the offeror, and documented in the contract file. The resubmission shall be considered as if it were received at the date and time of the original unreadable submission for the purpose of determining timeliness, provided the offeror complies with the time and format requirements for resubmission prescribed by the contracting officer.

**L.9 CONTRACT AWARD**

If the District awards a contract as a result of this solicitation, the District will send to the successful offeror one copy of the contract electronically and notice to unsuccessful offeror.

**L.10 ACKNOWLEDGEMENT OF AMENDMENTS**

The Offeror shall acknowledge receipt of any amendments to this solicitation (a) by signing and returning the amendment; or (b) by identifying the amendment number and date in the space for amendment(s) on the Offeror's submitted Solicitation, Offer and Award Form, page 1 of the solicitation. The District must receive the acknowledgement by the date and time specified for receipt of bids or proposals. The Offeror's failure to acknowledge an amendment may result in rejection of bid or proposal.

**L.11 ACCEPTANCE PERIOD**

The Offerors agrees that its bid or proposal remains valid for the period specified in Box #12 of the Solicitation, Offer and Award Form (page 1 of this solicitation).

**L.12 GATEWAY UPLOAD OF PROPOSALS**

- L.12.1 The Offeror shall submit its proposal via upload to the Gateway portal, in parts, as:
1. the Technical Proposal,
  2. the Price Proposal, and
  3. a Redacted Proposal Copy pursuant to Section L.12.6.
- L.12.2 The Offeror shall not include pricing information in its technical proposal, nor must technical information be in the pricing proposal.
- L.12.3 To upload to the Gateway portal:
1. Login,
  2. Click “View” on the Public Solicitation
  3. Click “Register as a Respondent”
  4. Click “Solicitations” tab, “My Solicitations”
  5. Click “View” on the solicitation
  6. Under the Response Status section, complete “Indicate your organization's response status”, then click “Submit”
  7. Upload solicitation response in the My File section – **Note: Uploads cannot be deleted or replaced, and each file size should not be larger than 1GB**
- L.12.4 If you do not already have a Gateway Login Account, complete a Vendor Registration Form and W-9 form at <https://dc.cobblestonesystems.com/gateway/> in the Document Library tab and send it to [OCFOvendorhelp@dc.gov](mailto:OCFOvendorhelp@dc.gov) to receive credentials within two (2) business days to Login to the Gateway.
- L.12.5 All proposals should be conspicuously marked. All submissions should be in a .pdf file. The District will not be responsible for corruption of any file submitted. **The response due date will not be changed while an offeror receives Gateway Login credentials.**
- L.12.6 Redacted Proposal Copy: In addition to other proposal submission requirements, the offeror must submit a copy of its proposal, redacted in accordance with any applicable exemptions from disclosure in D.C. Official Code §2-534, in order for the District to comply with §2-536(b) that requires the District to make available electronically copies of records that must be made public. The District’s policy is to release documents relating to District proposals following award of the contract, subject to applicable Freedom of Information Act (FOIA) exemption under §2-534(a)(1).

**L.13 PROCUREMENT PROTESTS**

Any actual or prospective Offeror or contractor, who is aggrieved in connection with the solicitation or award of a contract, must file a protest with the Contract Appeals Board no later

than 10 business days after the basis of protest is known or should have been known, whichever is earlier. A protest based on alleged improprieties in a solicitation which are apparent prior to bid opening or the time set for receipt of initial proposals shall be filed with the Board prior to bid opening or the time set for receipt of initial proposals. In procurements in which proposals are requested, alleged improprieties which do not exist in the initial solicitation, but which are subsequently incorporated into this solicitation, must be protested no later than the next closing time for receipt of proposals following the incorporation. The aggrieved person shall also mail a copy of the protest to the Contracting Officer.

**L.14 STANDARDS OF RESPONSIBILITY**

L.14.1 The prospective contractor must demonstrate to the satisfaction of the District the capability in all respects to perform fully the contract requirements, therefore, the prospective contractor must submit evidence, upon request by the District, of the following:

- (a) Financial resources adequate to perform the contract or the ability to obtain them;
- (b) Ability to comply with the required or proposed delivery or performance schedule, taking into consideration all existing commercial and governmental business commitments;
- (c) A satisfactory performance record;
- (d) A satisfactory record of integrity and business ethics;
- (e) The necessary organization, experience, accounting and operational controls, and technical skills or the ability to obtain them;
- (f) Compliance with the applicable District licensing and tax laws and regulations;
- (g) The necessary production, construction, and technical equipment and facilities or the ability to obtain them;
- (h) not exhibited a pattern of overcharging the District;
- (i) the prospective contractor does not have an outstanding debt with the District or Federal government in delinquent status of more than the greater of \$1,000 or 1% of the contract value, up to \$25,000; and
- (j) the prospective contractor is otherwise qualified and is eligible to receive an award under applicable laws and rules.

L.14.2 If the prospective contractor fails to supply the information requested, the Contracting Officer shall make the determination of responsibility or non-responsibility based upon available information. If the available information is insufficient to make a determination of responsibility, the Contracting Officer shall determine the prospective contractor to be non-responsible.

**L.15 RESTRICTION ON DISCLOSURE AND USE OF DATA**

L.15.1 Offerors who include in their bid or proposal data that they do not want disclosed to the public or used by the District except for use in the procurement process shall mark the title page with the following legend:

**"This bid or proposal includes data that shall not be disclosed outside the District and shall not be duplicated, used or disclosed in whole or in part for any purpose except for use in the procurement process.**

**If, however, a contract is awarded to this offeror as a result of or in connection with the submission of this data, the District will have the right to duplicate, use, or disclose the data to the extent consistent with the District's needs in the procurement process. This restriction does not limit the District's rights to use, without restriction, information contained in this proposal if it is obtained from another source. The data subject to this restriction are contained in sheets (insert page numbers or other identification of sheets)."**

**L.15.2** Mark each sheet of data it wishes to restrict with the following legend:

**“Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this bid or proposal.”**

**L.16 INITIAL OFFERS**

The CO reserves the right to reject any or all bids or proposals determined to be inadequate or unacceptable. The District may award contracts on the basis of initial offers received, without discussion. Therefore, each initial offer should contain the Offeror’s best terms from a standpoint of price, technical and any other factors of award.

**L.17 PRE-PROPOSAL CONFERENCE**

**L.17.1 A pre-proposal conference will be held from 2:00PM to 4:00PM (local time) on May 18, 2020 via Webex:**

**Webex Meeting Information**

Meeting link:

<https://dcnet.webex.com/dcnet/j.php?MTID=mc382046e413786c5c782237a5d6b3e14>

Meeting number: 477 214 533

Password: FzKBXySJ283

**More ways to join**

Join by video system

Dial [477214533@dcnet.webex.com](tel:477214533)

You can also dial 173.243.2.68 and enter your meeting number.

Join by phone

1-650-479-3208 Call-in number (US/Canada)

Access code: 477 214 533

**L.17.2** The District will request the names of the attending offerors at the conference so that their attendance can be properly recorded. Prospective offerors will be given an opportunity to ask questions regarding this solicitation at the conference. The purpose of the conference is to provide a structured and formal opportunity for the District to accept questions from offerors on the solicitation document as well as to clarify the contents of the solicitation.

**L.17.3** Impromptu questions will be permitted and spontaneous answers will be provided at the District’s discretion. Verbal answers given at the conference are only intended for general discussion and do not represent the District’s final position. All oral questions must be submitted in writing following the close of the conference pursuant to the deadline established in Section L.2 of the solicitation in order to generate an official answer. Official answers will be provided in accordance with Section L.2 in the solicitation.

**SECTION M**

**EVALUATION OF PROPOSALS**

**M.1 EVALUATION FOR AWARD**

M.1.1 The District intends to award a single contract to the responsive, responsible Offeror whose offer is most advantageous to the District, based upon the evaluation factors specified below. Thus, while the points in the evaluation factors indicate their relative importance, the total scores will not necessarily be determinative of the award. Rather, the total scores will guide the District in making an intelligent award decision based upon the evaluation factors that consists of a combination of experience and qualifications, pricing, and ability to meet the needs of the District.

M.1.2 The District may award a contract on the basis of initial offers received, without further discussion. Therefore, each initial offer must contain the Contractor’s best terms from a standpoint of price, technical standards, and other factors.

M.1.3 The District reserves the right to request discussions/oral presentations from Offerors and will use the information derived from these discussions/oral presentations, if any, in its evaluation.

**M.1.4 Selection of Negotiation Process**

After evaluation of the proposals using only the factors stated in the RFP and in accordance with weightings provided in the RFP, the CO may elect to proceed with any method of negotiations, discussions or award of the contract without negotiations, which is set forth under CFO Order Number 15-14.

**M.2 TECHNICAL RATING**

M.2.1 The technical rating scale and guidelines for each technical evaluation factor identified in the solicitation is as follows:

<b>Rating</b>	<b>Score as a Percentage of Total Available Points for Factors</b>	<b>Guidelines</b>
Excellent	90-100%	The response to the factor is complete and well defined, providing relevant supporting details and examples. The response to this factor indicates a high prospect for outstanding performance on the resulting contract. The expectations for this factor are clearly met or exceeded.
Good	70-89%	The response to the factor is generally complete and well defined, providing reasonably well-developed responses with a good amount of relevant supporting details and examples. The response to this factor indicates a moderate to high prospect for good performance on the resulting contract. Most of the expectations are met for this factor.

<b>Rating</b>	<b>Score as a Percentage of Total Available Points for Factors</b>	<b>Guidelines</b>
Fair	50-69%	The response to the factor is fairly complete, but lacking some definition or clarity. The response is not well developed to address the factor and provides limited supporting details and examples. The response to this factor indicates a prospect of achieving satisfactory performance on the resulting contract, but there may also be some risk. Few of the expectations are demonstrated to be met for this factor.
Poor	49% or below	The response to the factor is not complete or provides minimal information, lacking sufficient details and examples. The response to this factor indicates a moderate to high risk of not achieving satisfactory performance on the resulting contract. Does not demonstrate ability to meet expectations for this factor.

M.2.2 The technical rating is a guideline that will be applied to the point value for each technical evaluation factor or sub-factor to determine the offeror’s score for each factor. For example, if an evaluation factor has a maximum point value of 40, using the technical rating guidelines above, if the District evaluates the offeror’s response as “Good,” then the score for that evaluation factor would fall between 28 to 35 (70% to 89% x 40). The offeror’s total technical score will be determined by adding the offeror’s score in each technical evaluation factor or sub-factor.

**M.3 EVALUATION FACTORS**

Proposals will be evaluated based on the following evaluation factors. The Technical Proposal shall be worth 180 points and the Price Proposal shall be worth 20 points, for a total of 200.

**M.3.1 Technical Evaluation Factors (180 Points Maximum)**

The technical evaluation will be subjective. The technical proposal will be scored up to the maximum possible points based on the rating guidelines. The technical proposal will be evaluated based on the following subfactors:

**1. Organization Experience (20 Points Maximum)**

This factor evaluates the Offeror’s stability, legal standing, relevant experience, organizational culture, and qualification of key personnel that indicates a prospect for satisfactory performance on the resulting contract based on Offeror’s information in response to Section L.3.2.3.I.

**2. Operating History and Governance (20 Points Maximum)**

This factor evaluates the Offeror’s successful operating history and asset management as required in Section C, past performance, and governance that indicates a prospect for similar performance on the resulting contract based on Offeror’s information in response to Section L.3.2.3.II.

**3. Liability-Driven Investing (20 Points Maximum)**

This factor evaluates how complete and well defined is the Offeror's approach and methodology to provide the liability-driven investing requirements of Section C based on Offeror's information in response to Section L.3.2.3.III.

**4. Investment Philosophy and Process (20 Points Maximum)**

This factor evaluates how well defined, with supporting case study, is the Offeror's approach and methodology to provide the investment philosophy and process requirements of Section C based on Offeror's information in response to Section L.3.2.3.IV.

**5. Manager Search, Portfolio Construction, and Risk Management (15 Points Maximum)**

This factor evaluates the Offeror's expertise and capacity to provide outstanding performance of the required manager search, portfolio construction, and risk management services in Section C based on Offeror's information in response to Section L.3.2.3.V.

**6. Reporting (15 Points Maximum)**

This factor evaluates the Offeror's technical expertise to clearly meet the reporting requirements in Section C based on Offeror's information in response to Section L.3.2.3.VI.

**7. Fiduciary and Compliance (15 Points Maximum)**

This factor evaluates how completely the Offeror meets the fiduciary and compliance requirements in Section C based on Offeror's information in response to Section L.3.2.3.VII.

**8. Relationship Management and Asset Class Performance (15 Points Maximum)**

This factor evaluates the Offeror's level of expertise and capacity in relationship management and asset class performance to provide outstanding performance on the resulting contract based on Offeror's information in response to Section L.3.2.3.VIII.

**9. Technology (40 Points Maximum)**

This factor evaluates how the Offeror's technology and disaster recovery plan indicates a high prospect for satisfactory performance of the required services in Section C based on Offeror's information in response to Section L.3.2.3.IX.

**M.3.2 Price Evaluation Factor (20 Points Maximum)**

The price evaluation will be objective. Price evaluation will include the base period and option periods. Evaluation of option periods shall not obligate the District to exercise them. The offeror with the lowest price will receive the maximum price points. All other proposals will receive a proportionately lower total score. The following formula will be used to determine each offeror's evaluated price score:

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$$\frac{\text{Lowest price proposal}}{\text{Price of proposal being evaluated}} \times \text{weight} = \text{Evaluated price score}$$