**Alameda County Employees’ Retirement Association**

**Request for Proposal (RFP)**

**For**

**Real Estate Investment Consultant**

**Timeline**

Date of RFP issuance September 23, 2014

Deadline for written questions to ACERA September 30, 2014

Deadline for submission of Proposals 4:30 pm PST, October 23, 2014

**Delivery of Proposals**

The proposing Firm must submit one (1) complete electronic copy and one (1) paper copy of the Proposal to both of the following parties:

Mr. Grant Hughs, CFA

Senior Investment Officer, ACERA

475 14th Street, Suite 1000

Oakland, CA 94612

Phone: (510) 628-3189

E-mail: [RealEstateConsultantRFP@ACERA.org](mailto:RealEstateConsultantRFP@ACERA.org)

Mr. Tom Iannucci

Cortex Applied Research

120 Carlton Street, Unit 408

Toronto, Ontario M5A 4K2

Phone: (416) 967-0252

E-mail: [tiannucci@cortexconsulting.com](mailto:tiannucci@cortexconsulting.com)

Note that both the electronic copy and the paper copy shall include the signatures as required by this RFP. The electronic copy shall be included on a CD or a memory stick and included with the hard copy. In addition to the above delivery requirements, your Firm may also submit an electronic copy of the Proposal to the e-mail addresses shown above.

Table of Contents

[Section I: Background & Nature of Services Required 3](#_Toc399410813)

[A. INTRODUCTION 3](#_Toc399410814)

[B. Alameda County Employees’ Retirement Association (ACERA) 3](#_Toc399410815)

[C. INVESTMENT PROGRAM 4](#_Toc399410816)

[D. SCOPE OF SERVICES 5](#_Toc399410817)

[E. Minimum Qualifications for Proposal 9](#_Toc399410818)

[F. Selection Criteria 10](#_Toc399410819)

[G. Frequently Asked Questions (FAQ) 11](#_Toc399410820)

[Section II: Process for Submitting Proposal 12](#_Toc399410821)

[A. Submission of Proposal 12](#_Toc399410822)

[B. Timeline for Search and Selection Process 12](#_Toc399410823)

[C. Role of Search Consultant 13](#_Toc399410824)

[D. Intent to Respond 13](#_Toc399410825)

[E. Quiet Period, Questions and Communication Regarding the RFP 13](#_Toc399410826)

[F. Addenda to Request for Proposals 14](#_Toc399410827)

[G. Ambiguity and Omissions in RFP 14](#_Toc399410828)

[H. Preparation of the Proposal 14](#_Toc399410829)

[I. Reservation of Rights 17](#_Toc399410830)

[Section III: Information to be Provided 18](#_Toc399410831)

[Part A: Letter of Transmittal 18](#_Toc399410832)

[Part B: Questionnaire 19](#_Toc399410833)

[Part C: Additional Materials and Documents 34](#_Toc399410834)

[Part D: References 35](#_Toc399410835)

[Part E: Fee Proposal 36](#_Toc399410836)

**Appendices**

**Appendix 1: List of ACERA Real Estate Investment Managers**

**Appendix II: Real Estate Strategic Plan: Objectives, Policies and Procedures dated 9/11/2013**

**Appendix III: ACERA Sample Real Estate Investment Consulting Services Agreement**

# Section I: Background & Nature of Services Required

## INTRODUCTION

The Alameda County Employees’ Retirement Association (ACERA) is soliciting proposals from qualified professional investment consulting firms (“Firms” or “Consultants”) to assist ACERA with strategic and tactical investment planning, market research, investment due diligence, portfolio monitoring, performance measurement and reporting for its real assets portfolio with an initial focus on equity real estate investments.

The term of this contract shall be for an initial period of three (3) years. After the initial term, the contract shall automatically renew for successive one-year terms.

## Alameda County Employees’ Retirement Association (ACERA)

ACERA was established by the Alameda County Board of Supervisors under Ordinance No. 446, dated October 21, 1947, operative January 1, 1948. ACERA provides retirement, disability, and death benefits to the General and Safety members employed by Alameda County.

The retirement plan provides lifetime benefits to members of the retirement system who meet the minimum age and length-of-service requirements and is a significant and fundamental part of the comprehensive benefits package ACERA provides to eligible employees.

ACERA’s plan is a defined benefit pension plan, qualified under Section 401(a) of the Internal Revenue Code. Funding of a defined benefit pension plan is based on a cost sharing principle through employee and employer contributions rates, which are determined triennially upon recommendation by the plan’s actuary. Therefore, retirement benefits are determined by a formula and not on an individual’s account balance.

The ACERA Board of Retirement is responsible for establishing policies governing the administration of the retirement plan and managing the investments of the system’s assets. The Board has nine members and two alternate members. The Alameda County Board of Supervisors appoints four members and six are elected by ACERA’s membership. The County Treasurer is an ex-officio member.

The Board of Retirement oversees the Chief Executive Officer in the performance of his duties in accordance with the County Employees Retirement Law of 1937, ACERA’s by-laws, and Board policies.

## INVESTMENT PROGRAM

ACERA was established under, and is governed by the provisions of the County Employees’ Retirement Law of 1937 at Title 3, Division 4, Part 3, Chapter 3 of the Government Code of the State of California, beginning with Section 31450 (1937 Act). ACERA is also governed by the provisions of the California Public Employees’ Pension Reform Act of 2013 at Title 1, Division 7, Chapter 21, Article 4 of the Government Code of the State of California, beginning at Section 7522 (PEPRA), as well as relevant State and Federal laws

Plenary authority and fiduciary responsibility for the investment of moneys and administration of the system is vested in the Board by Section 17, Article EVI of the Constitution of the State of California. The management of the retirement system is vested with the Board pursuant to Government Code Section 31520.

As of June 30, 2014, the fund had an approximate market value of $6.9 billion and was managed by outside investment managers. The current asset allocation is shown below.

|  |  |  |
| --- | --- | --- |
|  | **Actual** | **Target** |
| **Asset Class** | **Allocation** | **Allocation** |
| Domestic Equity | 35.0% | 32% |
| International Equity | 30.1% | 27% |
| Fixed Income | 16.1% | 15% |
| Private Equity and Alternatives | 7.4% | 15% |
| Real Return Pool | 5.1% | 5% |
| Real Estate | 5.7% | 6% |
| Cash/Other | 0.6% | 0% |

The Board has approved a long-term asset allocation target of **six percent (6%)** for investment in equity real estate investments.

The Board has determined that the primary objective for the real estate asset class will be to provide a source of return that improves the diversification of the overall investment portfolio, as real estate investments generally have low or negative correlations to traditional asset classes.

The secondary objective for the asset class will be to achieve total returns that are predominantly attributable to income. The Board seeks to achieve total net returns equivalent to the net returns of the National Council of Real Estate Investment Fiduciaries Fund Index Open-End Diversified Core Equity Index (“NFIODCE” or “ODCE”) as a minimum return for the total portfolio over rolling five-year periods.

With respect to the three style groups, the Board has established the following portfolio composition target:

|  |  |
| --- | --- |
| **Style** | **Return Benchmarks (Net of Fees)** |
| > 70% Core | ODCE |
| 0% - 30% Value-Added | NCREIF Open-End Diversified Value Index (“ODVE”) |
| 0% - 15% Opportunistic | NCREIF/Townsend Opportunistic Funds Index |

Note: A copy of ACERA’s Real Estate Strategic Plan: Objectives, Policies and Procedures dated 9/11/2013 has been included as Appendix 2, and can be found at [www.acera.org/download/real-estate-strategic-plan-objectives-policies-and-procedures](http://www.acera.org/download/real-estate-strategic-plan-objectives-policies-and-procedures). All investments will be classified based upon the strategy advocated at inception of the investment.

## SCOPE OF SERVICES

ACERA is seeking a qualified Firm to serve as a fiduciary to the Board and provide non-discretionary investment consulting services for its real estate portfolio. The Firm selected as a result of this RFP will be responsible for assisting Staff in managing and monitoring ACERA’s real estate portfolio. The Firm will also be expected to work closely with ACERA’s general investment consultant. The services to be provided by the Firm shall include, but not be limited to, the following:

**1. General**

1.1 Initial Projects

Review of ACERA’s current real estate portfolio in the context of the Real Estate Strategic Plan: Objectives, Polices and Procedures, strategy, asset allocation, manager structure and risk/return objectives including but not limited to the following:

* + - 1. Review of ACERA’s current Real Estate Investment Plan.
      2. Review Individual Managers’ Investment Criteria.
      3. Meet with staff of ACERA to assess ACERA’s real estate goals and objectives.
      4. Review portfolio characteristics for diversification and risk.
      5. Gather and maintain historical performance data for each individual investment position and property.
      6. Meet with each fund/account manager to review the budget and management plans for the current fiscal year.
      7. Review manager contracts and fee schedules and calculations.
      8. Recommend revisions to the existing program as warranted.

1.2 Strategic Plan.

* + - 1. Consultant shall prepare, monitor and maintain a comprehensive Strategic Plan for the Portfolio. The Strategic Plan shall at a minimum set forth the long term objectives for the real estate portfolio (the "Objectives"), risk management policies and procedures ("Policies"), and investment and asset management procedures ("Procedures").
      2. Consultant will review the Real Estate Strategic Plan: Objectives, Policies and Procedures annually and recommend any changes necessary or appropriate in light of changes in the market or the Portfolio. The terms “advisor” and “manager” are used interchangeably herein and are not meant to convey any particular meaning as to the advisor’s or manager’s level of authority over ACERA’s assets, it being understood that such level of authority and the identity of ACERA assets affected shall be the subject of an agreement to be entered into by and between ACERA and each such advisor or manager.
  1. Investment Plans. Consultant shall:
     1. Prepare a Real Estate Investment Plan for the Portfolio outlining the steps required to bring the existing real estate portfolio into compliance with the objectives and policies established in the Strategic Plan. Recommended actions in the Investment Plan may include: a) manager searches; b) acquisition and disposition analyses; c) workout analyses; d) development of investment criteria; e) fees and expenses analyses; and f) establishment of asset management guidelines.
     2. Update the Investment Plan annually, at a minimum (or more frequently as warranted by market conditions).

1.4 Consultant shall provide investment research and publications on real estate market conditions and opportunities.

1.5 Consultant shall provide educational and/or training sessions on real estate investing to the Investment Committee and ACERA as requested.

1.6 Consultant shall attend ACERA’s monthly Investment Committee meetings between 8 and 12 times during the year.

1.7 Consultant shall attend ACERA’s monthly Board meetings and other meetings, as needed.

1.8 Consultant shall present the performance of the real estate investment program to the Investment Committee (currently on a quarterly basis) within 45 days of the close of each quarter. The Board retains the rights to change the frequency of performance reporting.

1.9 Consultant shall conduct special projects or other activities as requested by the Investment Committee and/or ACERA.

1.10 Consultant will coordinate and communicate with the broader ACERA organization and other ACERA consultants and advisors as appropriate to ensure effective administration of the real estate investment program.

1.11 Consultant shall be proactive with regard to investment recommendations and ideas, and shall advise the Investment Committee and ACERA staff on questions or issues that arise in the course of administering the real estate portfolio on strategic issues related to objectives, policy and benchmarks.

1.12 Consultant shall advise ACERA of new investment vehicles and techniques of major changes in existing practices within the industry and upon request prepare comprehensive analysis and recommendations concerning these activities for ACERA.

1.13 Consultant shall assist ACERA with developing, reviewing and maintaining the compliance of: a) its real estate investment policy and guidelines; and b) its investment agreements with individual managers.

1.14 Consultant shall assist ACERA to ascertain the reasonableness of the fee structures charged by individual managers as well as the accuracy of the calculations of individual managers’ investment management fees.

1.15 Consultant shall be responsive to ACERA’s requests and concerns on a daily basis and be prepared to provide comprehensive research, analysis and accurate reports to ACERA on a timely basis.

**2. Investment Sourcing and Selection**

2.1. Develop a structured, on-going process to screen the global universe of available real estate investments, primarily in the U.S. (for both open and closed end real estate investment funds), and identify those opportunities which are consistent with ACERA’s real estate policy and real estate strategic investment plan.

2.2. Evaluate prospective investments, including those that may be sourced by ACERA. If appropriate, engage in comprehensive due diligence that may include general partner property and/or site visits, plus background and reference checking. Staff of ACERA often participates in onsite due diligence.

2.3. Present investment recommendation reports to the Investment Committee and ACERA staff along with all necessary supporting details and analysis.

2.4. Provide assistance to ACERA and the Board’s legal counsel to negotiate, in the best interests of ACERA, relevant fees and investment terms. The Board acknowledges that the Consultant is not providing any legal advice or consultation; the Board shall look solely to its legal counsel for such advice or consultation.

**3. Portfolio Management and Performance Measurement**

3.1. Provide on-going monitoring and regular updates/assessments of relevant operational and/or strategic changes with investment managers, including, but not limited to, performance, organization, ownership, investment products, and disclosure issues. The Board shall retain the exclusive right to engage or terminate funds/managers.

3.2. Notify the Board of any identified material issues that may impact investment performance and recommend a course of action to enhance returns or mitigate risk.

3.3 Assist and advise ACERA with breaches or violations of fund contracts and side letter provisions, and fund dissolutions as may arise, in a timely manner.

3.4 Maintain information on portfolio exposure, including vintage years, strategies (core, value, and opportunistic), property types, geographic diversification, and leverage by fund.

3.5 Maintain historical information, including all cash flow, net asset values, commitments (total, funded, and unfunded), fee payments, cost basis and returns on each investment.

3.6 Calculate performance metrics including IRR and multiple calculations measured against performance benchmarks.

3.7 Measure the performance of ACERA’s aggregate and individual manager real estate portfolio on a quarterly basis against ACERA’s established investment objectives and policies, institutional real estate performance benchmarks and peer performance. Portfolio return calculation will include individual property returns for separate accounts.

3.8 Prepare quarterly performance reports for ACERA’s real estate portfolio. The reports shall include, at a minimum: market overview and outlook, allocation breakdown by geography, strategy, property type and leverage, update on each fund, listing of each fund by strategy, date of commitment to each fund, commitment amount to each fund, drawdown amounts by fund, outstanding commitment by fund, distribution amounts by fund, fund net asset values, and IRR and multiples of each fund, plus all fees (e.g. management, incentive, etc.) and expenses by fund. Consultant will include in each quarterly report a narrative of each of ACERA’s real estate investments relative to its anticipated performance, current market conditions, competitive environment, identify material issues and the compliance of the portfolio which may impact the investment’s performance and recommend a course of action to enhance returns and/or mitigate risk. Within forty-five (45) days of the close of each calendar quarter and seventy-five (75) days of the close of each calendar year, Consultant shall prepare and present to ACERA a quarterly and annual report, respectively. Reporting period is subject to manager reporting. The report shall measure performance of ACERA's real estate assets against investment objectives and performance benchmarks adopted by ACERA as part of its Strategic Plan.

3.9 Provide assistance with appropriate information to satisfy public information requests or public reporting requirements.

3.10 Review and maintain information related to capital calls and distribution notices.

3.11 To the extent possible, Consultant shall observe the guidelines, policies and procedures set forth in the ACERA’s Investment Guidelines, Policies and Procedures, and Real Estate Investment Guidelines, Policies and Procedures attached hereto as F, and incorporated by this reference.

## Minimum Qualifications for Proposal

The Proposer must meet all of the following minimum qualifications to be given further consideration.

* 1. The Firm must agree to act as a fiduciary to ACERA.
  2. The Firm must be registered as an investment adviser under the Investment Advisers Act of 1940.
  3. As of June 30, 2014, the Firm must have been in continuous operation in the United States for at least five (5) years providing real estate investment advisory and monitoring services for institutional pension plans similar in asset size to ACERA. Alternately, the majority of the principals of the Firm must have worked together for a minimum of five (5) years, as of June 30, 2014, providing real estate investment advisory and monitoring services for institutional pension plans similar in asset size to ACERA.
  4. The Firm must currently provide investment advisory services to a minimum of four (4) institutional clients, each with total assets of at least $1 billion.
  5. The Firm must currently provide real estate advisory services to institutional clients that in aggregate have a minimum of $1 billion in real estate assets.
  6. The primary Investment Consultant to be assigned to ACERA’s real estate portfolio must have a minimum of five (5) years of experience providing real estate investment consulting to institutional fund clients.
  7. The Firm must carry errors and omissions insurance, with a minimum of $5 million in coverage.
  8. The Firm must be willing to customize services as instructed by ACERA.
  9. While ACERA is onsite at the consultant’s facility conducting search-related due diligence, the Firm must be willing to provide ACERA the ability to review the latest 3-5 years of the Firm’s audited financial statements.

## Selection Criteria

ACERA will evaluate the Proposals relative to each other generally in accordance with the criteria and weighting percentages itemized below.

|  |  |
| --- | --- |
| **Criteria** | **Weight** |
| 1) Investment consultant’s organizational structure, business platform, investment philosophy and culture, investment strategy and process, as well as, approach to meeting ACERA’s needs. | 30% |
| 2) Resources, expertise and experience of the Firm and assigned individuals (e.g., qualifications, experience, depth, and strength of Firm/consulting team to be assigned to ACERA) | 25% |
| 3) Ability and capacity of Firm/consulting team to provide services referred to in the RFP | 25% |
| 4) References and background checks | 10% |
| 5) Fee Proposal | 5% |
| 6) Quality, clarity and responsiveness of Proposal | 5% |

## Frequently Asked Questions (FAQ)

1. **Why is ACERA seeking a new real estate investment consultant?**

It has been 12 years since the last Real Estate Consultant RFP, and ACERA wants to see how the real estate investment consulting landscape has changed.

1. **What strategic decisions are currently pending before the Board that the new real estate investment consultant would likely be involved in?**

Confirm the strategic direction of ACERA’s investments and update the Real Estate Investment Policy

1. **What is the Board’s schedule with respect to monthly meetings that the real estate consultant would be expected to attend?**

The Investment Committee meets on the 2nd Wednesday of each month. The Board of Retirement meets on the 3rd Thursday of each month. The consultant is generally expected to attend between 8 and 12 meetings per year. The consultant may also be expected to attend in person other meetings or any special meetings pertaining to investment matters, upon the request of ACERA.

# Section II: Process for Submitting Proposal

## Submission of Proposal

The deadline for submission of the Proposal is **4:30 pm PST, October 23, 2014**. The proposing Firm must submit one (1) complete electronic copy and one (1) paper copy of the Proposal to both of the following parties:

Mr. Grant Hughs, CFA

Senior Investment Officer, ACERA

475 14th Street, Suite 1000

Oakland, CA 94612

Phone: (510) 628-3189

E-mail: [RealEstateConsultantRFP@ACERA.org](mailto:RealEstateConsultantRFP@ACERA.org)

Mr. Tom Iannucci

Cortex Applied Research

120 Carlton Street, Unit 408

Toronto, Ontario M5A 4K2

Phone: (416) 967-0252

E-mail: [tiannucci@cortexconsulting.com](mailto:tiannucci@cortexconsulting.com)

Note that both the electronic copy and the paper copy shall include the signatures as required by this RFP. The electronic copy shall be included on a CD or a memory stick and included with the hard copy. In addition to the above delivery requirements, your Firm may also submit an electronic copy of the Proposal to the e-mail addresses shown above.

## Timeline for Search and Selection Process

Sept. 23, 2014 RFP published and posted on website

Sept. 30, 2014 Deadline for submission of questions concerning the RFP

October 23, 2014 Deadline for submission of Proposals

December 10, 2014 Investment Committee to approve recommended list of finalists for interviews

By January 8, 2015 Site visits of finalists

February 11, 2015 Finalist interviews with the Investment Committee

ACERA will make best efforts to follow the above timeline but reserve the right to amend it as necessary.

## Role of Search Consultant

ACERA has engaged Cortex Applied Research Inc. (Cortex) to assist in the Firm search and selection process. The role of Cortex is to summarize and tabulate the responses to the RFP for subsequent review by ACERA staff. The Board, with the support of its staff, is solely responsible for the selection and appointment of the investment consultant.

## Intent to Respond

Firms intending to respond to this RFP are asked to send an e-mail to Mr. Tom Iannucci, Cortex Applied Research by October 3, 2014 by e-mail at [tiannucci@cortexconsulting.com](mailto:tiannucci@cortexconsulting.com). Failure to do so shall not preclude Firms from submitting a Proposal.]

## Quiet Period, Questions and Communication Regarding the RFP

The Board has designated a “quiet period” for the duration of the real estate investment consultant search and selection process, during which time Trustees may not knowingly communicate with consultant candidates, with the exception of official search-related interviews and due diligence and ongoing business with the existing consultants.

To assist the Board and ACERA staff in implementing this quiet period, all questions regarding the intent or content of this RFP or the proposal process must be directed in writing to Mr. Tom Iannucci, Cortex Applied Research by e-mail at [tiannucci@cortexconsulting.com](mailto:tiannucci@cortexconsulting.com) or by fax at (416) 967-2711 on or before September 30, 2014.

## Addenda to Request for Proposals

ACERA may modify this RFP, prior to the Proposal due date, by issuing written addenda. Addenda will be posted on ACERA’s website at www.ACERA.org. The Proposer shall be responsible for ensuring that its Proposal reflects any and all addenda issued by ACERA prior to the proposal due date regardless of when the Proposal is submitted. Therefore, ACERA recommends that Proposers consult the ACERA website frequently, including shortly before the proposal due date, to determine if they have received all addenda.

## Ambiguity and Omissions in RFP

Proposers are responsible for reviewing all portions of this RFP. Proposers are to promptly notify ACERA, in writing, if the Proposer discovers any ambiguity, discrepancy, omission, or other errors in this RFP. Any such notification should be directed to ACERA promptly after discovery, but in no event later than five working days prior to the date for receipt of Proposals. Modifications and clarifications will be made by addenda as provided above.

## Preparation of the Proposal

1. **Format of Proposal**

The Proposal must be sequentially page numbered, organized and indexed in the following format:

* 1. Letter of Transmittal
  2. Response to Questionnaire
  3. Additional Documents and Materials
  4. References
  5. Fee Proposal

**Please note:** Signatures of principals or officers authorized to bind the Proposer are required in the Letter of Transmittal and the Fee Proposal.

1. **Response to Questions and Requests for Information**

Respond to all questions, and requests for information, in the order that they are presented in Section III of this RFP. Documents and materials requested in Section III: Part C shall be included as Exhibits to the Proposal, as specified therein.

Be clear and succinct in the response. Ensure that each response is specific to the question asked or information requested. Unnecessary or superfluous information will be disregarded. Incomplete or misleading responses may lead to the rejection of the Proposal and elimination of the Firm from the search process.

At any time during the Proposal evaluation process, ACERA may require a Proposer to provide oral or written clarification of its Proposal. ACERA reserves the right to make an award without further clarifications of Proposals received.

1. **Revision of Proposal**

A Proposer may revise a Proposal on the Proposer’s own initiative at any time before the deadline for submission of Proposals. The Proposer must submit the revised Proposal in the same manner as the original. A revised Proposal must be received on or before the Proposal due date.

In no case will a statement of intent to submit a revised Proposal, or commencement of a revision process, extend the Proposal due date for any Proposer.

1. **Errors and Omissions in Proposal**

Failure by ACERA to object to an error, omission, or deviation in the Proposal will in no way modify this RFP or excuse the Proposer from full compliance with the specifications of this RFP or any contract awarded pursuant to this RFP.

ACERA reserves the right to waive or permit correction of any minor inconsistencies, errors, or omissions prior to the final evaluation of the Proposal, and to ask for clarification on any issues, or to take any other measures with respect to this RFP in any manner necessary to serve the best interests of ACERA and its beneficiaries.

1. **Financial Responsibility and Ownership of Documents**

Any cost incurred in the preparation, submission or presentation of the Proposal shall be borne solely by the Proposer. Proposals and associated materials will become the property of ACERA and may be returned only at ACERA’s option.

1. **California Public Records Act**

Materials contained in Proposals and all correspondence and written questions submitted during the Request for Proposal process are subject to the California Public Records Act (Cal. Gov. Code Sections 6245.26 et. seq., (“The Act”), and, after a contract has been awarded, may be viewed and copied by any member of the public, including news agencies and competitors. If any portion of a Proposal is believed to be exempt from public disclosure under The Act, such portion must be marked “TRADE SECRETS”, “CONFIDENTIAL” OR “PROPRIETARY”, as applicable, and made readily separable from the rest of the Proposal. Proposals marked in their entirety with a confidential designation, or other designation indicating exemption from public disclosure will not be considered confidential or exempt from disclosure under The Act, and ACERA will not deny public disclosure of all or any portion of such Proposals. By submitting a Proposal with material marked “TRADE SECRETS”, “CONFIDENTIAL” OR “PROPRIETARY”, the Proposer represents it has a good faith belief that the material is exempt from disclosure under the Act; however, such designations will not necessarily be conclusive, and the proposing Firm may be required to justify in writing why such material should not, upon request, be disclosed by ACERA under The Act.

If ACERA denies public disclosure of any portions so designated, by submission of a Proposal the Proposer agrees to reimburse ACERA for, and to indemnify, defend and hold harmless ACERA, its officers, fiduciaries, employees and agents from and against: (a) any and all claims, damages, losses, liabilities, suits, judgments, fines, penalties, costs and expenses including, without limitation, attorneys’ fees, expenses and court costs of any nature whatsoever (collectively, “Claims”) arising from or relating to ACERA’s non-disclosure of any such designated portions of a Proposal; and (b) any and all Claims arising from or relating to ACERA’s public disclosure of any such designated portions of a Proposal if ACERA reasonably determines disclosure is deemed required by law, or if disclosure is ordered by a court of competent jurisdiction.

## I. Reservation of Rights

ACERA reserves the right to pursue any or all of the following actions concerning this RFP:

1. Request additional information and/or clarification from the Proposers, and

2. Issue addenda to the RFP via supplements, amendments, or modifications prior to the due date of the Proposal, and

3. Reject any or all Proposals, and

4. Permit the timely correction of errors, or waive minor deviations, and

5. To cancel this RFP in whole or in part with or without substitution of another RFP if such cancellation is determined to be in the best interest of the ACERA, and

6. Extend the deadline for submittal, and

7. Assess any or all Proposals and schedule presentations by the Proposers, and

8. To waive any defect or technicality in any Proposal received, and

9. To eliminate any Proposer that submits a non-conforming, non-responsive, incomplete, inadequate, or conditional Proposal, and

10. To take any action affecting the RFP process, or the project subject to this RFP, that would be in the best interest of the ACERA, and

11. Take whatever other action it deems in its interest, and

12. Negotiate a contract based solely on the original Proposal, and

13. Conduct all investigations with respect to the qualifications and experience of each Proposer and background checks, and

14. Negotiate best and final offers with Proposers, and

15. Right to short list the Proposals.

# Section III: Information to be Provided

## Part A: Letter of Transmittal

The Proposal must include a Letter of Transmittal or cover letter signed by one or more individuals who are authorized to bind the Firm contractually (include an incumbency certificate for each signer). The Letter of Transmittal shall be considered an integral part of the Proposal and must contain the following:

1. The Proposer’s name, address, and telephone and fax number.
2. The name, title or position, telephone number and email address of the individual signing the cover letter.
3. A statement indicating the signature is authorized to bind the Proposer contractually.
4. The name, title or position, and telephone number of the primary contact for the Proposal, if different from the individual signing the cover letter.
5. A statement to the effect that the Proposal is a firm and irrevocable offer good for one (1) year.
6. A statement expressing the Proposer’s availability of staff and other required resources for performing all services and providing all deliverables specified within.
7. A statement that the Proposer meets the Minimum Qualifications for the Proposal set out in Section I.E of this RFP.
8. A statement confirming, that if selected, the Firm is prepared to meet all applicable fiduciary obligations in providing investment consulting services to ACERA.
9. By submitting a Proposal, the Proposer represents that it is familiar with California Government Code section 1090 and section 87100 et seq. and that it does not know of any facts that constitute a violation of said sections in connection with its Proposal. Proposer also represents that its Proposal has completely disclosed to ACERA all facts bearing upon any possible interests, direct or indirect, which Proposer believes any member of ACERA, or other officer, agent or employee of ACERA or any department presently has, or will have, in this Agreement, or in the performance thereof, or in any portion of the profits thereunder. Willful failure to make such disclosure, if any, shall constitute ground for rejection of the Proposal or termination of any Agreement by ACERA for cause. Proposer agrees that if it enters into a contract with ACERA, it will comply with all applicable conflict of interest codes and policies adopted by the ACERA and their reporting requirements. A statement acknowledging the above shall be included in the Letter of Transmittal.

## Part B: Questionnaire

Please respond to all questions below, in the order that they are presented in this section of the RFP. Indicate the question number and restate it prior to providing your response or answer. Any additional comments or information may be provided as Exhibits to the Proposal.

### Name and Contact Information

1. What is the current name of the Firm?
   1. If the name has changed, what was the previous name?
   2. What was the original name of the Firm when it was founded?
2. Please use the following information for the primary RFP contact within your Firm:

|  | **Primary Contact Within Your Firm** |
| --- | --- |
| Name |  |
| Title |  |
| Name of Firm |  |
| Telephone Number |  |
| E-mail Address |  |
| Website Address |  |

1. Please use the following information for the secondary RFP contact within your Firm:

|  | **Second Contact Within Your Firm** |
| --- | --- |
| Name |  |
| Title |  |
| Telephone Number |  |
| E-mail Address |  |

### Qualifications

1. Does your Firm acknowledge that, should it be retained as the real estate investment consultant, it would be serving as a fiduciary to ACERA? (Indicate Yes or No).
2. Is your Firm registered as an investment advisor under the Investment Advisors Act of 1940? (Indicate Yes or No).
3. Indicate the year your Firm began providing real estate investment advisory and monitoring services for institutional pension plans similar in asset size to ACERA.
   1. Has your Firm been in continuous operation since this date (Indicate Yes or No)?
   2. Alternatively, you may indicate the year a majority of the principals of the Firm have worked together, continuously providing real estate investment advisory services for institutional pension plans similar in size to ACERA.
4. Indicate the number of institutional clients to whom your Firm currently provides investment advisory services *that each* have total assets of at least $1 billion.
5. Indicate the aggregate dollar amount of real estate assets under advisement by your Firm; only include assets for institutional clients (e.g., pension plans, endowments and foundations).
6. Indicate the amount of Errors and Omissions insurance coverage that your Firm has in place.
7. Indicate the number of years of experience that the lead investment consultant proposed for ACERA’s account has been providing real estate investment consulting or real estate management services to institutional fund clients.

### History, Ownership and Organization of the Firm

1. When was the Firm founded or established?
2. Who were the founders of the Firm?
3. When did your Firm begin providing investment consulting services to institutional clients?
4. When did the Firm begin offering real estate investment consulting services to institutional clients?
5. Please provide the names of any predecessor companies or other organizations with which the founders were previously associated.
6. If the Firm was subsequently acquired by another company, when did this take place?
7. Please provide the names of the current owners of the Firm and indicate their respective percentage of ownership.
8. What is the name of the Firm’s parent company if applicable?
9. Indicate the names of any subsidiary or affiliated companies and briefly describe the nature of their business, and the relationship between the Firm and these other companies.
10. What significant changes, if any, have there been in the Firm’s ownership, structure or organization over the past three years?
11. Do you anticipate, or have you announced, any significant changes to the Firm’s ownership, structure or organization in the foreseeable future?

### Sources of Revenue

1. Please indicate the type of real estate consulting activities your Firm participates in, by stating yes or no in each row of the following table:

| **Type of Investment Consulting** | **Yes / No** |
| --- | --- |
| Non-discretionary real estate investment consulting |  |
| Discretionary real estate investment consulting |  |
| Co-investment in real estate assets |  |

1. Using the table below, indicate the percentage of the Firm’s revenue received during the most recent fiscal year and, where applicable, the associated number of clients:

| **Source of Investment Consulting Revenue** | **Share of Revenue (% In Most Recent Fiscal Yr.)** | **Number of**  **Clients** |
| --- | --- | --- |
| Revenue from real estate investment consulting (Non-Discretionary) |  |  |
| Revenue from real estate investment consulting (Discretionary) |  |  |
| Revenue from general investment consulting |  |  |
| Revenue from investment management |  |  |
| Other Revenue |  |  |
| Specify sources of Other Revenue |  |  |

### Client Base

1. Complete the following table by indicating the number, types, and size of clients for which the Firm ***currently provides real estate consulting services***?

|  | **Size of Clients (by Client’s Total Asset Value)** | | | |
| --- | --- | --- | --- | --- |
| **Types of Clients** | **Under $1B** | **$1B to under $5B** | **$5B to $10B** | **Greater than $10B** |
| * 1. Public pension plans |  |  |  |  |
| * 1. Corporate pension plans |  |  |  |  |
| * 1. Taft-Hartley plans |  |  |  |  |
| * 1. Foundations/Endowments |  |  |  |  |
| * 1. Other (specify) |  |  |  |  |

1. Please provide the following information about the Firm’s real estate clients over the past five years (as of December 31, 2013).

|  | **2009** | **2010** | **2011** | **2012** | **2013** |
| --- | --- | --- | --- | --- | --- |
| Total Non-Discretionary Retainer Clients |  |  |  |  |  |
| Total Non-Discretionary Assets under Advisement |  |  |  |  |  |
| Total Non-Discretionary Assets Invested |  |  |  |  |  |
| Total Discretionary Separate Account Retainer Clients |  |  |  |  |  |
| Total Discretionary Separate Account Assets under Advisement |  |  |  |  |  |
| Total Discretionary Separate Account Assets Invested |  |  |  |  |  |
| Total Single-Investor Fund-of-Funds Clients |  |  |  |  |  |
| Total Multi-Investor Fund-of-Funds Clients |  |  |  |  |  |
| Total Fund-of-Fund Assets under Advisement |  |  |  |  |  |

1. Provide the following information about public fund clients for which the Firm currently consults on a non-discretionary/advisory basis or has discretionary management authority (excluding fund of funds).

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Name of Client** | **Discretionary or Non-Discretionary** | **Assets Under Management or Advisement** | **Partnerships or Direct** | **Open-End or Closed-End Funds** | **Other** | **Length of Relationship** |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

1. If any of the Firm’s real estate investment consulting relationships have ended in the **past four calendar years (2011-14)**, please provide details in the following table:

| **Reasons for Termination** | **Number of Cases** | **Value of Assets** |
| --- | --- | --- |
| Firm Dismissed Outright |  |  |
| Contract Rebid – Firm Not Retained |  |  |
| Firm Asked Not to Bid |  |  |
| Firm Resigned Client Relationship |  |  |
| Plan Merger or Consolidation |  |  |
| Other (specify): |  |  |
| **Total Terminations/Resignations** |  |  |

### Professional Staff

1. List the locations of all the Firm’s offices and the total number of employees in each office.
2. In column 2 below, indicate the number of professional staff the Firm currently employs in each of the categories listed in column 1. (Each person should be assigned to only one category). In column 3, indicate the number of professional staff that are largely dedicated to real estate consulting services (>50% of their time).

| **1)**  **Category of**  **Staff** | **(2)**  **Number of Staff** | **(3)**  **No. of Professional Staff Largely Dedicated to real estate consulting**  **(>50% of their time)** |
| --- | --- | --- |
| Senior Investment Professionals (Consultants/Managers) |  |  |
| Junior Investment Professionals (Consultants/Analysts) |  |  |
| Other Non-Investment Professionals |  |  |
| Technical/IT staff |  |  |
| Administrative staff |  |  |
| **Total Staff** |  |  |

1. Which of the following types of compensation are provided to professional staff? Please indicate whether the compensation applies to all staff, senior staff, key employees, or principals only.

| **Type of Compensation** | **All/Senior/Key/Principals** |
| --- | --- |
| Salary |  |
| Bonus |  |
| Profit Sharing |  |
| Stock Ownership |  |
| Stock Options |  |
| Other Equity Participation |  |
| 401(k) or Other Deferred |  |
| Other (Please specify): |  |

1. Do your senior employees have an ownership interest in the Firm? What is your long-term growth strategy in terms of professional staffing?
2. How does the Firm manage the risk that key professionals leave the Firm either as a group or individually?
3. Using the following table, please indicate the turnover of professional staff over the past five years:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name** | **Position** | **Years with the Firm** | **Date of Departure** | **Reason for Leaving** |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

### Proposed Consulting Team

1. Identify all members of the primary team from your Firm that would serve our account, using the format in the following table.

| **Investment Professional Information** |
| --- |
| Name: |
| Title: |
| Role and/or Function: |
| Number of years of experience in institutional investments: |
| Number of years of experience in real estate investment consulting: |
| Number of years with the Firm: |
| Educational degrees: |
| Professional designations: |

1. What is your client-to-consultant ratio? Do you limit the number of clients that might be assigned to a consultant?
2. Provide information on other key individuals who would interact with the ACERA’s staff or Investment Committee/Board, such as those involved in manager searches, research, performance measurement, or specific asset class construction. Include information on prior institutional experience and professional designations.

### Investment Selection and Due Diligence Practices

1. List the elements of your Firm’s tracking system for prospective real estate investments.
2. List the elements of your tracking system for real estate assets of existing clients.
3. What real estate sectors are followed in your investment tracking system?
4. How many staff members are focused on U.S. real estate/non-U.S. real estate?
5. What databases or other resources does the Firm utilize in sourcing and monitoring investments inside/outside the U.S.?
6. How many funds/managers do you track in your manager search database?
7. How many years of performance data are in the system for prospective investments?
8. List the steps in the screening process used to determine whether to include a manager/fund in the database. What minimum criteria do you use to make this determination?
9. What quantitative and qualitative criteria are maintained on both managers and investment opportunities? (Please provide a list of criteria rather than narrative).
10. Using the table below, please indicate how many real estate investment opportunities/proposals your Firm reviewed, met with, conducted due diligence on, and ultimately recommended or invested in for the benefit of either clients or your Firm:

|  | **2011** | **2012** | **2013** |
| --- | --- | --- | --- |
| * 1. review; |  |  |  |
| * 1. met with; |  |  |  |
| * 1. conducted on-site due diligence on; and |  |  |  |
| * 1. ultimately recommended or invested in on behalf of clients or your Firm? |  |  |  |

1. Explain how your organization identifies top tier Firms by answering the following questions:
2. What qualifies a Firm to be categorized as “top tier”?
3. Provide a list of top tier Firms your organization monitors.
4. How often is this list updated?
5. Describe your clients’ success in gaining access to these funds.
6. How many first time/nascent/emerging funds did you conduct on-site due diligence on in 2013 and 2014? How many such funds did you recommend to clients or invest in on behalf of clients or your Firm?
7. Please complete the following table **for the year 2013:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **How Many Opportunities did your Firm:** | **Core R.E. Private** | **Core R.E. Public** | **Value Added R.E.** | **Opportunistic R.E.** | **Distressed Debt & other Credit Strategy** |
| 1. Review (incl. on-site due diligence) |  |  |  |  |  |
| 1. Recommend or invested in for benefit of either clients or your Firm |  |  |  |  |  |

1. How do you verify information provided by managers? Do you contract for personal background checks?
2. List your ten largest general partner relationships on behalf of the Firm’s clients.

| **General Partner** | **Client Assets ($M)** |
| --- | --- |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |

### 

### Research Capabilities

1. List your **external** real estateresearch resources, if any.
2. List your internal **real estate** research resources, if any.
3. Is there a specific unit or group within the Firm dedicated to real estate manager/fund research (i.e. spends 80% or more of its time)? (Indicate Yes or No). If yes, how many professional staff persons are in this unit or group?
4. Indicate the number of non-dedicated research staff involved in real estate research and an estimate of the percentage of their time they devote to real estate research.
5. List the research and other related technical resources, including on-line databases and computer based analytical tools **that you make available for your clients**.

Real Estate Consulting Services

1. What special resources or tools would you use to deliver the services listed that you believe give your Firm an advantage over your competitors?
2. How do you monitor industry dynamics, factor them into your advice, and communicate such to your clients?

### Monitoring, Performance Measurement and Reporting

1. Describe your Firm’s process for monitoring real estate investments on behalf of your clients by answering the following questions:
2. What criteria/factors are monitored?
3. How frequently are current client investments reviewed?
4. How often does the Firm meet with general partners or officers of the company (in the case of direct investments)?
5. How is compliance with terms of the limited partnership agreement ensured?
6. How do you verify information provided by the fund separate account managers?
7. Describe your Firm’s position on attending fund/manager annual meetings and serving on advisory boards.
8. Are reports of such meetings made available to your clients as part of your basic consulting services? (Please indicate yes or no)
9. Provide a list of funds/limited partnerships in which the Firm or any employee of the Firm currently holds an advisory board seat, and whether such relationships are on behalf of clients or your Firm’s fund of funds.
10. List the real estate investments benchmarks (both market index and peer group), and peer universes typically employed for your public fund clients.
11. Identify the peer universe to which a client such as ACERA would be compared (include number of public funds, the total number of funds, the range of public and non-public fund assets, the mean and median public fund assets, as well as any other relevant details).
12. Does your organization maintain a real estate investment performance database? If so, what database do you use?
13. Is the Firm’s real estate performance database(s) proprietary or purchased? How is data input and verified? At what levels is the information available (i.e. total portfolio, asset class, fund, individual property)?
14. List the monitoring and reporting services the Firm provides over the Internet that are accessible by clients online. Please include a description of client account analysis and performance that would be available online.
15. Does the Firm provide customized computer-based analytical or reporting tools to its clients? Yes/No.
16. Are your clients able to electronically access underlying portfolio data? Is the data able to be manipulated by the client in order to analyze the portfolio? Are clients able to download data? Are clients able to run ad-hoc queries?
17. Who owns the portfolio data (i.e. the consultant or the client)? If the relationship with a client ends, what happens to its information?

### Investment Performance

1. Provide performance data, net of investment management fees, for the investments you were involved in selecting for your clients. Please provide inception-to-date IRRs through December 31, 2013, for the last five (5) years or since inception of the Firm (a minimum of three years investment history is required), broken down by vintage year and real assets sector. Include a total by vintage year for all asset sectors. Returns are to be measured by vintage year since inception versus the industry top quartile and median returns as defined by Venture Economics or comparable sources. This data should be CFA Institute compliant, pursuant to the provisions for alternative investments and real assets. If not, please disclose differences in methodology. Provide separate tables for each of the following:
2. Separate Account (discretionary)
3. Separate Account (non-discretionary)
4. Single Investor Fund-of-Funds
5. Multi Investor Fund-of-Funds
6. Secondaries
7. Are your return calculations audited or otherwise validated? If so, please provide documentation.

### Independence

1. Does the Firm or any affiliate company provide any services to, or receive any compensation from, investment managers, including but not limited to: (i) charges for inclusion in the Firm’s database, (ii) conference fees, (iii) brokerage commissions, (iv) purchase of software, (v) consulting services, etc.? (Indicate Yes or No). If you answered “Yes”, describe briefly the nature of these services and compensation.
2. Do you have any affiliates, divisions, or investments in joint ventures that would be involved in the management of our assets under this assignment? (Indicate Yes or No) If you answered “Yes”, provide details.
3. Does the Firm or any affiliate provide any services or conduct any business with ACERA’s current real estate investment managers? Please see Appendix I for a list of current managers. (Indicate Yes or No) If you answered “Yes”, provide the names of such managers, and, where appropriate, the name of your affiliate.
4. Does the Firm or any employee of the Firm invest their own capital in investment opportunities that they also recommend for clients? If yes, please explain how potential conflicts that arise from these activities are mitigated.
5. Has the Firm or anyone in the Firm, or any affiliate, had any professional relationship (e.g., investment banking, brokerage, custodial, insurance, or actuarial) with ACERA’s plan sponsor or legislative bodies during the past three years? (Indicate Yes or No) If you answered “Yes”, describe the nature of the relationship.
6. Has the Firm or anyone in the Firm provided any gifts or other remuneration, or paid any expenses for travel, hotel, meals or entertainment for or on behalf of a Board member or staff of ACERA during the past twelve months. (Indicate Yes or No) If you answered “Yes”, indicate the amount, recipient, and purpose of the payments.
7. Describe all arrangements or understandings (written or oral) between your Firm and any advisor, placement agent, broker, law firm or other individual or entity in connection with the solicitation or referral of clients.
8. Disclose any other actual or potential conflicts of interest that may arise from the Fund’s representation of ACERA, including the activities of any affiliated companies, that have not been disclosed above.
9. What, if any, other actual or potential conflicts of interest does your Firm, or any affiliated companies, have in your real estate consulting practice business platform? How do you eliminate or mitigate the conflicts?
10. Indicate the name and title of the staff person responsible for communicating expectations as to conduct, monitoring compliance, and determining courses of action in the event of a breach of the code.
11. If your organization manages **real estate** funds, how do you handle due diligence and formulate investment recommendations for investments that may compete with your organization?
12. Does the Firm sponsor funds-of-funds or other investment funds? (Indicate Yes or No) If yes, describe the funds in the tables below.

|  |  |  |  |
| --- | --- | --- | --- |
| **Name of Fund-of-fund** | **Year raised** | **Size of fund ($M)** | **Focus of fund** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Other Funds** | **Year raised** | **Size of fund ($M)** | **Focus of fund** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

1. Describe your fee structure for managing funds-of-funds or other investment funds for clients.

### Regulatory Matters, Litigation, and Insurance

1. Has the Firm, or any officer, principal, or employee of the Firm or an affiliated company, ever been investigated and/or charged by the Securities and Exchange Commission (SEC), the U.S. Department of Labor (DOL), or any other regulatory authority for violation of applicable laws? (Indicate Yes or No) If you answered “Yes”, provide details.
2. Has any self-regulatory organization professional organization or associations (e.g., NFA or FINRA) taken action against your Firm, or any of your Firm’s owners, principals or personnel within the last five years? If you answered “Yes”, provide details.
3. When did the SEC, DOL or the FINRA last audit or examine your Firm? (Indicate year for each, if applicable) Note any material findings or recommendations. Are there any current or pending actions or investigations?
4. Has the Firm, or any officer, principal, or employee of the Firm, ever been involved in any business litigation or other legal proceeding? (Indicate Yes or No) If you answered “Yes”, explain and indicate the current status of the litigation.
5. Does the Firm, or any officer or principal of the Firm, have any lawsuits and/or regulatory enforcement actions pending against it? If you answered “Yes”, explain.

## Part C: Additional Materials and Documents

In addition to the information requested in the RFP, please submit a copy of the following additional materials and documents:

1. Provide a sample copy of your Firm’s tracking reports. (Identify as Exhibit #1.)
2. Provide at least three examples of a research report prepared by your Firm. (Identify as Exhibit #2).
3. Attach copies of the two most recent investment recommendation memos your organization has provided to clients. If you provide clients with investment rejection memos, please attach a recent example. (Identify as Exhibit #3.)
4. Does your Firm perform industry or asset class analyses that have been provided to clients? If so, please submit an example of your work. (Identify as Exhibit #4)
5. Provide a recent example of due diligence material on a partnership which was held by a client and reviewed during an interim period. (Identify as Exhibit #5)
6. Provide examples of portfolio status reports and other reports useful in ongoing monitoring of existing investments. (Identify as Exhibit #6)
7. Enclose samples of your typical quarterly and annual performance measurement and monitoring reports for a pension fund client or other institutional owner. (Identify as Exhibit #7)
8. Provide examples of other reports you feel are useful in evaluating current investment activities and providing oversight of the investment program. (Identify as Exhibit #8)
9. An organizational chart of the Firm. (Identify as Exhibit #9)
10. Biographies of the Firm’s professional staff to be assigned to this account. (Identify as Exhibit #10)
11. A list of the Firm’s current full service institutional clients, including the year they retained the Firm, fund size, and plan type (i.e., DB, DC, other). (Identify as Exhibit #11)
12. The most recently filed SEC Form ADV, Parts I and II. (Identify as Exhibit #12)
13. A copy of the Firm’s policies and procedures relating to Conflict of Interest and/or Code of Ethics. (Identify as Exhibit #13)
14. The Firm’s standard marketing brochure that describes the Firm’s products and services. (Identify as Exhibit #14)
15. A copy of the Firm’s asset valuation policy.

## Part D: References

Please identify three (3) clients as references for whom your Firm has provided real estate consulting services. Each reference must be an institutional investor (e.g., public retirement plan, corporate pension plan, investment board, endowment fund, etc.). For each reference provide the following details:

1. Name of institution
2. Institution’s approximate assets under management
3. Name and title of contact person
4. Phone number of contact person
5. e-mail address of contact person
6. Year your Firms services were engaged
7. Role your Firm has played

## Part E: Fee Proposal

**The services listed in Section I of the RFP under “Scope of Services” should form the basis for the proposed fees in as set out below.** The method of payment will be set forth in a service agreement, to be entered into with the selected Firm. Once the consultant is selected, the fee may be negotiated further depending on the variance from the other Proposals. In no case will the negotiated fee be higher than the fee contained in this Proposal, provided the scope of services or other material issues concerning the services remain unchanged.

**All-Inclusive, Flat Fee**

1. Specify the all-inclusive flat fee for the delivery of services listed in Section I of this RFP under “Scope of Services” for the three year period of this contract.
2. Please confirm whether the Firm can and will provide all of the services listed as customary services in Section I of the RFP under “Scope of Services” for the all-inclusive flat fees set out above. If not, specify any services from that list that the Firm cannot or will not provide, and what, if any, are the additional cost for such services.
3. What services not listed in Section I of this RFP under “Scope of Services” are customarily provided by real estate investment advisors, which you can provide and what, if any, are the additional costs for these services?

**Other Information:**

1. Please provide any additional information that may assist us in more clearly understanding your fee Proposal for consulting services.

**Exceptions to ACERA’s Sample Real Estate Investment Consulting Services Agreement**.

Submission of a Proposal will confirm that the Proposer fully understands the provisions of the Sample Real Estate Investment Consulting Services Agreement (Agreement) included in this Request for Proposal at *Appendix III.*

To the extent that the Proposer takes exception to any part of the Agreement, all such objections shall be stated in the Proposal, specifically identifying the objectionable section, and including any of the Proposer’s proposed amendments to the Agreement.

ACERA may reject all Proposals without further discussion or commence negotiations with the most qualified Proposer to establish the final terms and conditions for the Agreement. If ACERA is unable to negotiate acceptable contract terms with the Proposer determined to be most qualified, ACERA may formally terminate negotiations with that Proposer and commence negotiations with the next most qualified Proposer. This process shall be followed until negotiations are successfully concluded or ACERA, at any time, rejects all Proposals.

**Signature by Authorized Officer**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name of Firm

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

By Title

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature Date

# Appendix I: List of ACERA Real Estate Investment Managers

(as of 6/30/2014)

AEW Value Investors II, L.P.

CIM Urban REIT ("CMCT")

CIM VI-2 (Urban REIT), LLC

Heitman America Real Estate Trust, LLC

Heitman Value Partners II

Jamestown Premier Property Fund, L.P.

JP Morgan Strategic Property Fund (SPF)

JP Morgan Alternative Property Fund (APF) *- in liquidation*

Clarion Partners' Lion Industrial Trust

MetLife Core Property Fund, L.P.

PRISA (Prudential Real Estate Investors)

PRISA II (Prudential Real Estate Investors)

PRISA III (Prudential Real Estate Investors)

RREEF Separate Account

UBS (US) Trumbull Property Fund LP

# Appendix II: ACERA Real Estate Strategic Plan: Objectives, Policies and Procedures dated 9/11/2013

Go to: [www.acera.org/download/real-estate-strategic-plan-objectives-policies-and-procedures](http://www.acera.org/download/real-estate-strategic-plan-objectives-policies-and-procedures)

# Appendix III: ACERA Sample Real Estate Investment Consulting Services Agreement

Go to: [www.acera.org/rfp](http://www.acera.org/rfp)