

ALASKA PERMANENT FUND CORPORATION
REQUEST FOR PROPOSALS



GENERAL INVESTMENT CONSULTANT

RFP APFC-FY18-001

ISSUED MARCH 20, 2017

ISSUED BY:

ALASKA PERMANENT FUND CORPORATION
801 W 10th Street, Suite 302
Juneau, AK 99801

PRIMARY CONTACT:

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PROCUREMENT OFFICER
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(907) 796-1503

OFFERORS ARE NOT REQUIRED TO RETURN THIS FORM.

IMPORTANT NOTICE: YOU MUST REGISTER WITH THE PROCUREMENT OFFICER LISTED IN THIS DOCUMENT TO RECEIVE SUBSEQUENT AMENDMENTS. FAILURE TO CONTACT THE PROCUREMENT OFFICER MAY RESULT IN THE REJECTION OF YOUR OFFER.

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INTRODUCTION AND INSTRUCTIONS

SEC. 1.01 PURPOSE OF THE RFP

The Alaska Permanent Fund Corporation is soliciting proposals for a **GENERAL INVESTMENT CONSULTANT**.

SEC. 1.02 BUDGET

Approval or continuation of a contract resulting from this is contingent upon legislative appropriation.

SEC. 1.03 DEADLINE FOR RECEIPT OF PROPOSALS

Proposals must be received no later than **4 PM** prevailing Alaska Time on **APRIL 12, 2017**. Emailed proposals are required. Hard copy proposals may also be mailed if necessary to preserve formatting. Oral proposals are not acceptable.

SEC. 1.04 PRIOR EXPERIENCE

For offers to be considered responsive, Offerors must meet these minimum requirements. Failure to meet the minimum requirements may result in the proposal being considered non-responsive.

Basic minimum criteria: All firms submitting proposals for general consulting services must meet the following minimum criteria:

1. The firm must (a) be in the business of providing investment consulting services to institutional clients and (b) as of March 31, 2017, have at least \$250 billion in institutional assets under advisement.
2. As of March 31, 2017, the person assigned to APFC's account as the primary consultant (primary consultant) must have at least three (3) years combined experience in serving as a primary consultant to institutional funds with assets of at least \$10 billion.
3. The firm must carry, or be able to obtain if selected, errors and omissions insurance of at least \$5 million.
4. The firm must agree in writing (i.e., in the contract) that it will serve as a fiduciary and provide its services in accordance with a fiduciary standard of care.

SEC. 1.05 REQUIRED REVIEW

Offerors should carefully review this solicitation for defects and questionable or objectionable material. Comments concerning defects and objectionable material must be made in writing and received by the procurement officer (smccain@apfc.org) at least ten days before the deadline for receipt of proposals. This will allow time for the issuance of any necessary amendments. It will also help prevent the opening of a defective solicitation and exposure of offeror's proposals upon which award could not be made.

SEC. 1.06 QUESTIONS PRIOR TO DEADLINE FOR RECEIPT OF PROPOSALS

All questions must be in writing and directed to the procurement officer (smccain@apfc.org). The interested party must confirm telephone conversations in writing.

Two types of questions generally arise. One may be answered by directing the questioner to a specific section of the RFP. These questions may be answered over the telephone. Other questions may be more complex and may require a written amendment to the RFP. The procurement officer will make that decision. **The deadline for submitting questions is Friday, March 31, 2017.**

PROCUREMENT OFFICER: **SHANNON MCCAIN** – PHONE 907-796-1503 – Email smccain@apfc.org – TDD 907-796-1523

SEC. 1.07 RETURN INSTRUCTIONS

Offerors must submit their proposal, in writing, to the procurement officer. The technical proposal and cost proposal must be saved as separate PDF documents and emailed to **smccain@apfc.org** as separate, clearly labeled attachments, such as “Vendor A – Technical Proposal.pdf” and “Vendor A – Cost Proposal.pdf” (Vendor A is the name of the offeror). The email must contain the RFP number in the subject line:

RFP Title: **APFC-FY18-001 GENERAL INVESTMENT CONSULTANT**

Faxed or mailed hard copy proposals are not accepted.

The maximum size of a single email (including all text and attachments) that can be received by the APFC is 20mb (megabytes). If the email containing the proposal exceeds this size, the proposal must be sent in multiple emails that are each less than 20 megabytes and each email must comply with the requirements described above. It is the offeror’s responsibility to contact the procurement officer at 907-796-1503 to confirm that the proposal has been received. APFC is not responsible for unreadable, corrupt, or missing attachments.

An offeror’s failure to submit its proposal prior to the deadline will cause the proposal to be disqualified. Late proposals or amendments will not be opened or accepted for evaluation.

SEC. 1.08 PROPOSAL CONTENTS

The following information must be included in all proposals.

(a) AUTHORIZED SIGNATURE

All proposals must be signed by an individual authorized to bind the offeror to the provisions of the RFP. Proposals must remain open and valid for at least 90-days from the date set as the deadline for receipt of proposals.

(b) OFFEROR'S CERTIFICATION

By signature on the proposal, offerors certify that they comply with the following:

- A. the laws of the State of Alaska;
- B. the applicable portion of the Federal Civil Rights Act of 1964;
- C. the Equal Employment Opportunity Act and the regulations issued thereunder by the federal government;
- D. the Americans with Disabilities Act of 1990 and the regulations issued thereunder by the federal government;
- E. all terms and conditions set out in this RFP;
- F. a condition that the proposal submitted was independently arrived at, without collusion, under penalty of perjury;
- G. that the offers will remain open and valid for at least 90 days; and

- H. that programs, services, and activities provided to the general public under the resulting contract conform with the Americans with Disabilities Act of 1990, and the regulations issued thereunder by the federal government.

If any offeror fails to comply with [a] through [h] of this paragraph, APFC reserves the right to disregard the proposal, terminate the contract, or consider the contractor in default.

(c) VENDOR TAX ID

A valid Vendor Tax ID must be submitted to the issuing office with the proposal or within five days of APFC's request.

(d) CONFLICT OF INTEREST

Each proposal shall include a statement indicating whether or not the firm or any individuals working on the contract has a possible conflict of interest (e.g., currently employed by the APFC or formerly employed by the APFC within the past two years) and, if so, the nature of that conflict. The Executive Director, Alaska Permanent Fund Corporation reserves the right to consider a proposal non-responsive and reject it or cancel the award if any interest disclosed from any source could either give the appearance of a conflict or cause speculation as to the objectivity of the program to be developed by the offeror. The Executive Director's determination regarding any questions of conflict of interest shall be final.

(e) FEDERAL REQUIREMENTS

The offeror must identify all known federal requirements that apply to the proposal, the evaluation, or the contract.

SEC. 1.09 ASSISTANCE TO OFFERORS WITH A DISABILITY

Offerors with a disability may receive accommodation regarding the means of communicating this RFP or participating in the procurement process. For more information, contact the procurement officer no later than ten days prior to the deadline for receipt of proposals.

SEC. 1.10 AMENDMENTS TO PROPOSALS

Amendments to or withdrawals of proposals will only be allowed if acceptable requests are received prior to the deadline that is set for receipt of proposals. No amendments or withdrawals will be accepted after the deadline unless they are in response to APFC's request in accordance with 2 AAC 12.290.

SEC. 1.11 RFP SCHEDULE

The RFP schedule set out herein represents the APFC's best estimate of the schedule that will be followed. If a component of this schedule, such as the deadline for receipt of proposals, is delayed, the rest of the schedule may be shifted by the same number of days.

- Issue RFP **MARCH 20, 2017,**
- Deadline for Receipt of Proposals **4 PM, WEDNESDAY, APRIL 12, 2017,**
- Proposal Evaluation Committee complete evaluation by **APRIL 27, 2017,**
- Evaluation Phase II Finalists Notified and presentation instruction provided **MAY 1 – 2, 2017,** (if required)
- Optional On-site Visits **MAY 8 – 11, 2017,**
- Evaluation Phase II Finalists Present to Board of Trustees **MAY 17, 2017,**
- State of Alaska issues Notice of Intent to Award a Contract **MAY 18, 2017,**

- Contract start **JULY 1, 2017**.

This RFP does not, by itself, obligate APFC. APFC's obligation will commence when the contract is approved by the Executive Director of the Alaska Permanent Fund Corporation, or the Executive Director's designee. Upon written notice to the contractor, APFC may set a different starting date for the contract. APFC will not be responsible for any work done by the contractor, even work done in good faith, if it occurs prior to the contract start date set by APFC.

SEC. 1.12 ALTERNATE PROPOSALS

Offerors may only submit one proposal for evaluation.

In accordance with 2 AAC 12.830 alternate proposals (proposals that offer something different than what is asked for) will be rejected.

SEC. 1.13 NEWS RELEASES

News releases related to this RFP will not be made without prior approval of the Executive Director of the Alaska Permanent Fund Corporation, or the Executive Director's designee.

SECTION 2. BACKGROUND INFORMATION

SEC. 2.01 BACKGROUND INFORMATION

The APFC oversees the Alaska Permanent Fund (Fund), a \$55 billion state sovereign wealth fund established by Article IV, Section 15 of the Constitution of the State of Alaska. This Article was created in 1976 by a voter-ratified amendment to the Alaska Constitution and directs a portion of the State of Alaska’s mineral royalties into the principal of the Fund, to be invested in perpetuity.

By statute, the Alaska State Legislature created the Board and the corporation (APFC) to manage the investments of the Fund and separated the Permanent Fund from the State’s treasury function. The APFC Board of Trustees, with the Executive Director, who serves at the pleasure of the Board, determines policies and makes decisions concerning the investment and administrative operations of the Fund. The Board maintains fiduciary responsibility for investment policy, asset allocation, and Fund performance.

The APFC Board has two established advisory committees – Governance and Audit. Each committee is comprised of three Board members.

The Board has created an outside three-person investment advisory council (IAC) to provide the Board with independent advice from professionals with significant, direct experience in the management and operation of large investment funds. The role of each member of the IAC is to review the investments made by the Board; make recommendations to the Board concerning investment policies, investment strategy, and investment procedures; advise the Board on the selection of performance consultants; and provide other advice as requested by the Board.

The Fund received its first deposit of dedicated mineral revenue in 1977 and has grown to over \$55 billion today. In the beginning, the Fund was conservatively invested in the fixed income market and over the years, has expanded into other major asset types. Today the Fund is a mature investment fund with characteristics similar to other large public funds and endowment funds.

The APFC’s current general consultant is Callan Associates Inc. KPMG is the Fund’s current auditor and The Bank of New York Mellon is the Fund’s current custodian and securities lending agent. From time to time the APFC manages other state funds; the assets of all such other funds are invested in the same manner as the Permanent Fund.

Management of the Fund’s assets is currently mixed between internal and external. Nearly all of the fixed income and real estate allocations are managed internally along with a small but increasing proportion of the public and private equity portfolios. The APFC Board of Trustees is targeting a more balanced internal /external management structure.

Additional information about the APFC and Fund investments can be found at www.apfc.org.

The Monthly Performance report on the web site is a good source for understanding the current asset classes and investment manager structure of the Fund.

SECTION 3. SCOPE OF WORK & CONTRACT INFORMATION

SEC. 3.01 GENERAL CONSULTING SERVICES

Under the direction of the APFC Board and staff, the general consultant will provide the following services on a timely basis, and as applicable, in print as well as electronic format:

1. **General investment policy and procedures.** Quarterly, review APFC's complete investment program including portfolios, attribution, and as needed, its statement of investment policies and procedures and, if necessary, make reasoned recommendations for any changes.
2. **Asset allocation plan.** Work with staff, annually, to prepare and present to the Board a written plan establishing investment objectives and asset class and risk targets (the Asset Allocation Plan). The Asset Allocation Plan shall, at a minimum, include (1) a report on asset allocation modeling (including methodology and specifics); (2) an analysis of the investment characteristics of available asset alternatives; (3) recommendations for changes or development of a comprehensive statement of investment policy; (4) recommendations for an optimum asset allocation for the APFC based upon all the foregoing, including a methodology (and time table) for achieving such asset allocation, including goals of that analysis for the upcoming fiscal year; and (5) recommendation of target benchmarks for the various asset types within the asset allocation.
3. **Specific requests for policy analysis.** Review and analyze investment initiatives proposed by the staff, APFC Board and/or committees, investment managers, or specialty consultants to ensure overall consistency of APFC's investment policies.
4. **Portfolio structure.** During the autumn of each year, work with staff to prepare and present to the APFC Board and/or committees a report containing (1) an evaluation of the effectiveness of the current portfolio and investment manager structure (including evaluations of the current investment managers); and (2) a review of APFC's needs for particular investment styles, capitalization ranges or strategies within the investment portfolio (e.g., growth/core/value; small/mid/large capitalization; government/corporate/mortgage; domestic/international/global/emerging markets; passive/risk controlled/active; and alternative investments).

Review and analyze proposed mandate modifications within asset class portfolios and provide advice to the Board as requested.

Review and advise the Board on ownership structures for private market strategies that are outside the gatekeeper or advisor structure as requested by the Board or Staff.

5. Annually in the fall of each year, provide staff with projected return assumptions to include the high, mid and low case for statutory and total return for the current year and the subsequent ten years on an annualized basis. The projections will be accompanied by a report outlining the underlying assumptions and methodologies used in the calculations. Uses of these projections include but are not limited to APFC's financial projections that are published on the website, inputs for the State of Alaska Revenue Sources book and forecasting impacts to the Fund of proposed regulatory and/or Statutory changes.
6. **Monthly performance report.** Within nine (9) business days of month-end, provide monthly investment manager performance for each portfolio and composite portfolios, other than the private market assets, unless such private market information is available, in which case it will be reported in a manner similar to public

market data. Public market portfolios include domestic equity, fixed income, international equity, global equity and emerging markets equity, as well as various aggregations of those portfolios. Such report shall include a comparison of each investment rate of return calculated for a portfolio with an appropriate and illustrative benchmark. The measurement periods for each monthly report shall be the month just ended, the preceding three (3) months, the fiscal year to date, the calendar year to date, and the preceding one (1) three (3) and five (5) years. The consultant performing these services will receive the performance measurement information electronically from APFC's custodian.

7. **Quarterly performance analysis.** Within 30 days of quarter-end, provide quarterly total Fund and investment manager performance reports of individual public market portfolios and private market portfolios, as well as the aggregate of all portfolios including performance evaluation against the appropriate benchmarks and investment objectives. The performance shall be reported net and gross, of all fees and expenses. The quarterly performance analysis should include return attribution characteristics, style analysis, risk analysis, peer universe comparison, holdings analysis relative to the benchmarks, and trading efficiency. The measurement periods for each quarterly report shall be the quarter just ended, the fiscal year to date, the calendar year to date, and the preceding one (1), three (3), and five (5) years, and inception to date. The consultant performing these services will receive the performance measurement information electronically from APFC's custodian for public market assets and from various other investment contractors for private market assets. For private markets or strategies utilizing draw-down structures, provide on a quarterly basis since-inception net internal rates of return (IRR) as of the most recent valuation date and other relevant metrics (e.g., ratio of total value to paid-in capital etc.) using a methodology consistent with CFA Institute guidelines for such strategies.
8. **Risk analysis.** Work with the Director of Risk Management to complete risk analysis, advice and risk assessment for the total Fund and/or any specific asset class or mandate on a quarterly basis. The analysis shall identify sources of active risk between the total Fund versus an appropriate benchmark or between selected subcomponents of the Fund and corresponding benchmarks. Provide analysis showing how total risk and/or active risk is allocated by asset class, strategy or risk factor. Identify and report risk exposures including but not limited to currency, geography, styles, sectors, leverage for the entire plan and/or specific asset classes.
9. **Attend due diligence reviews of managers.** As requested, accompany staff on due diligence trips to review investment managers.
10. **Attendance at APFC Board and committee meetings.** Attend regular meetings of the APFC Board and, as requested, committee meetings in various Alaska locations. On average there are a minimum of five meetings annually, customarily held in Juneau or Anchorage, Alaska.
11. **Trustee education/symposium.** Provide research-based ideas and education to the Board and staff. Participate in one (1) trustee education symposium annually on various investment policy issues or specific issues designated by APFC.
12. **General research and analysis.** Upon request of the staff, provide research, analysis, presentations, and/or advice on specific APFC investment issues.
13. **APFC portfolio database.** Provide use of electronic data that includes all quarterly updates of the APFC portfolio returns, market indices, and various manager analytical data for use in analytical programs that would allow for

a variety of reporting capabilities. Include technical support to assist APFC staff in use of data.

14. Statistical modeling. Work with staff to support statistical modeling (including Monte Carlo simulation) to forecast current payout methodologies and various other payout and asset allocation assumptions for the Fund. Results should be easily incorporated into presentation format for use in responding to various questions resulting from proposed State of Alaska fiscal policy issues.

15. Manager oversight

- a. Have access to a database of investment managers, including their philosophies, organizations, performance and clients. Manager information should be available for a wide range of investment managers including domestic, international, global and emerging market equity managers; domestic, international and global fixed income managers; real estate and alternative investment managers; managers with related strategies, including options and futures, special situations investing, transition management, rebalancing, and commodity managers.
- b. Provide analysis and advice on questions or issues that arise in the course of overseeing the investment managers. For example, advise on appropriate benchmarks, customize benchmarks if necessary, and advise on investment guidelines or fee structures, including performance-based fees when appropriate.
- c. Provide advice and recommendations concerning investment manager termination.

16. Manager searches. Assist and advise staff in the selection of external investment managers and provide reports related thereto. Establish and provide the APFC with external investment manager selection criteria within the guidelines defined by the APFC's instruction; prepare background material for the staff, provide reasoned analysis including evaluation factors and methods, screen prospective managers and establish, with APFC staff, a calendar of events regarding external investment manager selection that will culminate in a selection by staff and, if needed for a particular mandate, a recommendation for Board action to hire the chosen manager(s); coordinate candidate presentations to Board and/or staff as needed; assist the APFC and/or Board with interviews and comparisons; and assist in the communication of staff decisions regarding manager selection as requested by the APFC.

SEC. 3.02 SPECIAL CONSULTING SERVICES

In addition to the general consulting services outlined above, work may include consultation, advice, and special reports on issues of investment management, performance measurement, asset allocation, external investment manager selection, projection of Fund values, and additional related services that are within the Offeror's ability and expertise. These additional services may require availability of the Offeror's personnel in Alaska or elsewhere at the reasonable request of the APFC.

SEC. 3.03 CONTRACT TERM AND WORK SCHEDULE

The contract term and work schedule set out herein represents APFC's best estimate of the schedule that will be followed. If a component of this schedule is delayed, the rest of the schedule will be shifted by the same number of days.

The length of the contract will be from the date of award, approximately **July 1, 2017**, for three years, and the contract will include (2) two optional (1) one-year extensions to **June 30, 2022**.

SEC. 3.04 CONTRACT PAYMENT

No payment will be made until the contract is approved by the Executive Director of the Alaska Permanent Fund Corporation or the Executive Director's designee. Under no conditions will APFC be liable for the payment of any interest charges associated with the cost of the contract.

APFC is not responsible for and will not pay local, state, or federal taxes. All costs associated with the contract must be stated in U.S. currency.

SEC. 3.05 SUBCONTRACTORS

Subcontractors will not be allowed as a component of proposal submissions for this RFP.

SEC. 3.06 JOINT VENTURES

Joint ventures will not be allowed.

SEC. 3.07 RIGHT TO INSPECT PLACE OF BUSINESS

At reasonable times, APFC may inspect those areas of the contractor's place of business that are related to the performance of a contract. If the state makes such an inspection, the contractor must provide reasonable assistance.

SEC. 3.08 CONTRACT PERSONNEL

Any change of the project team members or subcontractors named in the proposal must be approved, in advance and in writing, by the project director. Personnel changes that are not approved by APFC may be grounds for APFC to terminate the contract.

SEC. 3.09 INSPECTION & MODIFICATION - REIMBURSEMENT FOR UNACCEPTABLE DELIVERABLES

The contractor is responsible for the completion of all work set out in the contract. All work is subject to inspection, evaluation, and approval by the project director. APFC may employ all reasonable means to ensure that the work is progressing and being performed in compliance with the contract. The project director may instruct the contractor to make corrections or modifications if needed in order to accomplish the contract's intent. The contractor will not unreasonably withhold such changes.

Substantial failure of the contractor to perform the contract may cause APFC to terminate the contract. In this event, APFC may require the contractor to reimburse monies paid (based on the identified portion of unacceptable work received) and may seek associated damages.

SEC. 3.10 CONTRACT CHANGES - UNANTICIPATED AMENDMENTS

During the course of this contract, the contractor may be required to perform additional work. That work will be within the general scope of the initial contract. When additional work is required, the project director will provide the contractor a written description of the additional work and request the contractor to submit a firm time schedule for accomplishing the additional work and a firm price for the additional work. Cost and pricing data must be provided to justify the cost of such amendments per AS 36.30.400.

The contractor will not commence additional work until the project director has secured any required approvals necessary for the amendment and issued a written contract amendment.

SEC. 3.11 NONDISCLOSURE AND CONFIDENTIALITY

Contractor agrees that all confidential information shall be used only for purposes of providing the deliverables and performing the services specified herein and shall not disseminate or allow dissemination of confidential information except as provided for in this section. The contractor must hold as confidential and use measures consistent with the standard of care (including both facility physical security and electronic security) to prevent unauthorized access by, storage, disclosure, publication, dissemination to and/or use by third parties of, the confidential information. The contractor must promptly notify the APFC in writing if it becomes aware of any storage, disclosure, loss, unauthorized access to or use of the confidential information.

Confidential information, as used herein, means any data, files, software, information or materials (whether prepared by the APFC or its agents or advisors) in oral, electronic, tangible or intangible form and however stored, compiled or memorialized that is (i) made available to the contractor or a contractor agent in connection with this contract, or (ii) acquired, obtained or learned by the contractor or a contractor agent in the performance of this contract.

Additional information that the contractor shall hold as confidential during the performance of services under this contract includes information that discloses the particulars of the business or affairs of a private enterprise or investor as set forth in AS 37.13.200 or 15 AAC 137.610.

If confidential information is requested to be disclosed by the contractor pursuant to a request received by a third party and such disclosure of the confidential information is required under applicable state or federal law, regulation, governmental or regulatory authority, the contractor may disclose the confidential information after providing the APFC with written notice of the requested disclosure (to the extent such notice to the APFC is permitted by applicable law) and giving the APFC opportunity to review the request. Notice of the requested disclosure of confidential information by the contractor must be provided to the APFC within a reasonable time after the contractor's receipt of notice of the requested disclosure and, upon request of the APFC, shall seek to obtain legal protection from the release of the confidential information.

The following information shall not be considered confidential information: information previously known to be public information when received from the other party; information freely available to the general public; information which now is or hereafter becomes publicly known by other than a breach of confidentiality hereof; or information which is disclosed by a party pursuant to subpoena or other legal process and which as a result becomes lawfully obtainable by the general public.

SEC. 3.12 INSURANCE REQUIREMENTS

A second standard portion of the contract will be Appendix B2, attached.

The successful offeror must provide proof of workers' compensation insurance prior to contract approval.

The successful offeror must secure the insurance coverage required by the state. The coverage must be satisfactory to the Department of Administration Division of Risk Management. An offeror's failure to provide evidence of such insurance coverage is a material breach and grounds for withdrawal of the award or termination of the contract.

Offerors must review form Appendix B2, attached, for details on required coverage. No alteration of these requirements will be permitted without prior written approval from the Department of Administration, Division of Risk Management. Objections to any of the requirements in Appendix B2 must be set out in the proposer's proposal.

SEC. 3.13 TERMINATION FOR DEFAULT

If the project director determines that the contractor has refused to perform the work or has failed to perform the work with such diligence as to ensure its timely and accurate completion, the state may, by providing written notice to the contractor, terminate the contractor's right to proceed with part or all of the remaining work.

This clause does not restrict the state's termination rights under the contract provisions of Appendix A, attached in SECTION 8. ATTACHMENTS.

SECTION 4. PROPOSAL FORMAT AND CONTENT

SEC. 4.01 COVER LETTER AND EXECUTIVE SUMMARY

A cover letter to introduce your firm, not to exceed one page, signed by the individual(s) who is (are) authorized to bind the Offeror contractually.

Please include an executive summary, describing your approach to the services to be provided, a profile of your organization, technical qualifications, and specific areas of expertise. Please discuss the firm's competitive advantage in providing general investment consultant services to APFC. This discussion should demonstrate your knowledge of the APFC and its investment mandates and strategies. This executive summary shall not exceed two pages.

SEC. 4.02 STABILITY AND EXPERIENCE OF THE FIRM

1. Please provide the following information with respect to the firm:
 - a. A brief history of the firm, including its year of organization and the percentage owned by current active employees; a list of the owners of the firm including individuals and all other entities;
 - b. the location of the firm's headquarters and branch offices; and
 - c. the ownership structure of the firm, including any parent, affiliated companies or joint ventures.
2. How many years has the firm been providing general consulting services to institutional and/or governmental clients? Please include the categories of services provided by type of client during the last five (5) years.
3. Please describe any significant developments in the organization that have occurred since January 1, 2016 (changes in ownership, senior personnel reorganization, etc.).
4. Please describe any anticipated near term changes in the organization's basic ownership structure or any other significant changes in the organization.
5. Is the firm, its parent or affiliate a registered investment advisor with the SEC under the Investment Advisers Act of 1940? If not, what is the fiduciary classification? Please state whether the firm is willing to act in the capacity of a fiduciary (as the term is defined by the Employee Retirement Income Security Act of 1974 and regulations thereunder [ERISA]) in providing its services. Please provide a copy of your Code of Ethics. Also, please state whether or not you believe your code of ethics substantially complies with the Code of Ethics and Standards of Professional Conduct of the CFA Institute.
6. Does the firm accept soft dollars as a method of payment for services?
7. List all investment management firms from which the firm or any affiliate has received any compensation since January 1, 2016.
8. If the firm or affiliates also provide investment management securities, brokerage, or soft dollar programs to investment managers, describe how conflicts of interest are managed, disclosed and prevented.

9. Since January 1, 2016, has the firm, the primary consultant(s), or another officer or principal been involved in any business litigation, regulatory or other legal proceedings or government investigation involving allegations of fraud, negligence, criminal activity or breach of fiduciary duty relating to institutional consulting activities? If so, please describe, provide an explanation, and indicate the current status.

SEC. 4.03 BREADTH AND DEPTH OF EXPERIENCE OF PERSONNEL

1. Please name and include a resume of the person(s) you propose to assign as the primary consultant(s) for APFC. Please state which of the firm's offices would service this account. (An offeror may have a different primary consultant for general and special project consulting services. In such cases, please list both.)
2. Please list the firm's employees with specific expertise in the areas listed below.
 - Asset Allocation
 - Economic Forecasting
 - Performance Attribution
 - Public Markets Investments
 - Emerging Markets
 - Derivatives
 - Foreign Currency/Currency Overlay
 - Private Markets Investments
 - Alternative Investments
 - Commission Recapture
 - Transition Management
 - Rebalancing
 - Commodities
 - Statistical Modeling

Please provide an organizational chart showing functions, positions, and titles of all personnel involved in institutional consulting services.

3. Using the following format, please identify all principals of the firm and designate which individuals, including research and systems support personnel, will be committed to APFC's account along with their office location. Include the length of experience in institutional consulting services, any specialty expertise they possess, and the highest educational degree they have attained.

<u>Name</u>	<u>Title</u>	<u>Location</u>	<u>Years</u> <u>with firm</u>	<u>Specialty</u> <u>Consulting experience</u>	<u>consulting</u>	<u>Education</u>
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4. Please provide a short bio on all the individuals listed above.
5. Please explain how the team dedicated to the APFC account would function, including the primary consultant(s), back-up consultant(s), quality control, research, and support services.
6. What will be the procedures for addressing APFC's issues when the primary consultant(s) or other assigned personnel leave the firm, are traveling or are otherwise unavailable?

7. How many client relationships will the primary consultant(s) have other than APFC? What are the client/consultants and client/support personnel ratios for the firm?
8. Please provide an estimate of the percentage of the primary consultant's time, as well as the time of other consultants, dedicated to the APFC account.
9. Please list the primary consultant's current clients and engagements by asset size, type of client (e.g., public fund, corporate fund, endowment) and type of engagement (e.g., general consulting services, project-based service).
10. Please indicate the turnover of professional staff (senior management and consulting personnel) over the past five years in the following format.

<u>Person</u>	<u>Position</u>	<u>Date left</u>	<u>Reason for leaving</u>	<u>Replaced by</u>
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11. Describe the firm's compensation arrangements for senior management and the assigned primary consultant, including any incentive and other bonuses and how and for what they are awarded. Does staff participate in equity ownership of the firm? If ownership is not available, is there a specific arrangement for sharing in the profits earned by the enterprise? What specific incentives are employed to ensure key professionals do not leave the firm?

SEC. 4.04 RESEARCH CAPABILITIES

1. Describe the internal structure and organization of the firm's research department. If no separate department exists, describe how this function is structured. What percent of the firm's revenues are annually reinvested in the firm's research function? Please provide the most recent annual dollar amount.
2. Please describe in detail the type and frequency of research that would be provided to APFC. Through what media would it be provided? Does the firm provide research reports other than those specifically requested by the client? If so, please describe. What research and analytical resources (including databases) does the firm possess that it would be willing to provide to APFC?
3. Describe the firm's technology and software capabilities and relate them to the consulting services or products. Please include in the description the computer software used or the computer language in which the programs are written. Describe the services the firm provides over the Internet that would be accessible to APFC on-line. Please include a description of APFC account analysis and performance reporting that would be available on-line.
4. Describe any other type of education provided to consulting clients other than published research.

SEC. 4.05 CONSULTING PERFORMANCE TRACK RECORD

1. How does the firm evaluate the quality of its consulting services? Please describe any benchmarks the firm has developed to evaluate its performance and the performance of its primary consultants.
2. Please list the asset size, gross and net performance of each of the firm's five largest public funds, corporate funds, and endowment clients for one, three, and five year periods ending December 31, 2016. To preserve client confidentiality, it is not necessary to identify clients other than by the category in responding to this question.

SEC. 4.06 GENERAL AND CONSULTING SERVICES

1. Please outline the work plan (including a time line) for accomplishing each of the following:
 - a. reviewing and critiquing APFC's overall investment policy, objectives and criteria;
 - b. preparing or providing input to APFC's Asset Allocation Plan;
 - c. preparing APFC's annual asset allocation optimization, and analyzing and critiquing APFC's public markets portfolio structure and managers.

2. Discuss in detail the theory and methodology of the asset allocation models the firm employs. How does the firm develop input data for the models employed? At a minimum, discuss for domestic and international equity and fixed income the derivation of expected returns, risks, correlations, use of constraints, or scenario forecasting.

Also discuss the firm's experience with risk-based allocation approaches and how the firm would apply its modeling methods to the APFC's risk classes (public equities, fixed income plus, private equity / growth opportunities, absolute return, real estate, private infrastructure / private credit / income opportunities and asset allocation).

3. Describe the firm's methodology and sources of data for analyzing and evaluating your clients' portfolio performance, including the incorporation of illiquid assets such as private real estate and alternative investments.
4. Describe how benchmarks are developed and how performance is compared to similar portfolios. Can the firm provide custom benchmarks (not based on blends of recognized benchmarks)? Style benchmarks? Please indicate whether the firm has ever developed custom benchmarks and, if so, provide a description of the custom benchmarks developed.
5. Describe the firm's universe of manager information and the process for the evaluation and selection of public market investment managers for a client. Include how the firm evaluates a manager's personnel and organization, investment philosophy, investment style(s) and products, research and/or modeling capabilities, financial condition, assets under management, type of clients, client service, and fees. Describe the process as it relates to a client's goals, objectives, investment policy and fiduciary responsibility.
6. Please discuss the firm's views on active versus passive management, when it is appropriate to use each, and how to determine an optimal mix. Please discuss the firm's views on internal versus external management, when it is appropriate to use each, and how to determine an optimal mix.
7. Please discuss the firm's knowledge of and expertise in applying the CFA Institute's Global Investment Performance Standards (GIPS). Does the firm act as a third party vendor to independently verify that managers' performance returns are accurate and were calculated in conformance with GIPS?
8. Does the firm maintain a database of investment managers and advisors? How many managers and advisors are contained in the database? Please separate the managers and advisors by asset class or sub-class, portfolio, style, capitalization and any other specialty designation. How often is this database updated? Is the database available to clients?
9. Please discuss the firm's views on performance-based fees, flat fees with or without performance bonuses, or any other fee structures the firm may recommend. Provide recommendations on other methods for appropriately aligning investment managers' economic interests and for lowering investment management costs.
10. Please describe the firm's process for monitoring investment managers for a client. Relate the process to a client's goals, objectives, and investment policy. Specifically, include the monitoring of risk, style integrity, contract compliance, account restrictions, activities creating potential conflicts of interest, reporting requirements, trading

costs (including foreign exchange) and best execution. For international managers, describe the firm’s experience and capabilities in analyzing and monitoring international managers, including currency effects, the use of hedging, authorized countries, emerging markets, and appropriate benchmarks.

11. Describe the firm’s experience and capabilities in analyzing, monitoring and forecasting of long range expected returns and risk of alternative and private investments.
12. Please discuss in detail the firm’s performance attribution analysis process. How does it handle international stock and bond portfolios, portfolios containing derivative instruments such as futures and options, private assets, and alternative investment portfolios.
13. Describe the firm's criteria and process for recommending an investment manager be placed on probation, removed from probation, or replaced.
14. Describe the firm’s philosophy, process, and sources of data for providing analysis, valuation and oversight of a client’s alternative investment types, including private equity, emerging markets, private credit, secondary funds and currencies.
15. Comment on (a) whether the firm believes it would have a conflict of interest in providing consulting services to both the APFC Board of Trustees and APFC staff and (b) how such conflicts might be addressed (i.e., managed in a manner that would permit the consultant to provide services to both).

SEC. 4.07 CLIENT COVERAGE AND REFERENCES

1. Please indicate in the chart below the current composition of the firm’s client base using the number and percentages of clients. Please explain if the firm’s client base is heavily weighted to any particular type of investor. For example:

<u>Client Type</u>	<u>Number</u>	<u>Percentage</u>
Public Pension Funds	_____	_____
Corporate Pension Funds	_____	_____
Endowments	_____	_____
Other (Specify)	_____	_____
TOTAL		100%

2. Please provide a current list of the 10 largest clients including name, contact, telephone number, asset values, number of years the client has retained your firm and product or service the client uses. APFC may contact any of these clients as references.

3. Please give situational details on the name(s) and asset values of any client relationships that were either terminated or not renewed in the last three years with reasons for the termination or non-renewal.
4. Please give situational details on the name(s) and asset values of any new client relationships gained in the last three years.

Explain the firm's goals and desires for expansion, particularly how such goals pertain to accepting new client business and the quality of service to all clients. Is there a limit to the number of new clients the firm will accept? At what point will the firm need to hire additional staff? What are the maximum client/consultant ratios of both the firm and the proposed primary consultant?

SEC. 4.08 SAMPLE REPORTS

Please provide the following sample reports as exhibits to the proposal.

- Asset allocation plan.
- Investment policy and procedures statement or manual.
- Monthly performance and attribution analysis (please include a fund example which includes domestic equity, fixed income, international equity and emerging markets equity as well as derivative securities such as futures and options).
- Manager oversight (monitoring) reports for public market managers.
- Manager search analysis
- Trading cost analysis of investment managers (including transition managers).
- Due diligence of a private equity or alternative investment strategy and/or manager.
- A copy of a report from a recent special project consulting task completed in the last year.
- Research report for special project consulting services completed in 2016.

SEC. 4.09 FEE PROPOSAL

AS THE TERM OF THE contract shall be three (3) years, the fee proposal shall be guaranteed for a period of not less than three (3) years from the effective date of the contract. The contract will include two (2) one-year renewal options. Contract renewal options are not guaranteed. Fees may be renegotiated for year four (4) and/or year five (5) of the renewal period.

The general consulting services detailed under "Scope of Work" in Section 3 of this RFP should form the basis for the proposed fee.

A. General Consulting Services.

1. Flat fees – Scope of Work, Section 3.01, #1 - #16

Offerors seeking to provide general consulting services must submit an "all-in-cost" annual fee for all general consulting services as described under "Scope of Work," Section 3.01, items #1 through #16 of this RFP as follows:

All-Inclusive flat fee - Year 1 \$ _____

All-Inclusive flat fee - Year 2 \$ _____

All-Inclusive flat fee - Year 3 \$ _____

Total flat fee (Years 1-3) \$ _____

2. Flat Fee – Scope of Work, Section 3.01, #17

Offerors seeking to provide general consulting services must submit an “all-in-cost” per manager search flat fee for the consulting services described in #17.

All-Inclusive (per search) flat fee - Year 1 \$ _____

All-Inclusive (per search) flat fee - Year 2 \$ _____

All-Inclusive (per search) flat fee - Year 3 \$ _____

The method of payment will be set forth in the contract(s). Once the consultant is selected, the flat fee may be negotiated, depending on the level of services, variance of services from the other proposals, etc. In no case will the negotiated flat fee be higher than the flat fee contained in the proposal. All flat fees should include all travel and related expenses of the proposing firm during the term of the contract.

3. Hourly or Project Based Fees – Scope of Work, Section 3.02, Special Consulting Services

All offerors seeking to be considered for general consulting services must specify their rates for the Special Consulting Services as described under "Scope of Work," Section 3.02 items #1 through #3 of this RFP, and guarantee them for three years.

Fees should be presented in one of three ways: 1) as all-inclusive in the rate under #1 above; 2) as a separate flat fee; or, 3) an hourly consulting rate for items #1 through #3.

The fees will be analyzed based on reasonableness. Please use the format indicated below to present your firm’s hourly rates or additional flat fee by project:

Personnel title or Project description	Hourly rate/Project flat fee
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

All fee proposals will be opened and analyzed by the search committee and will be taken into account as a factor in its selection of finalists and in its recommendations to the Board. However, the selection of a firm or firms as semifinalists to present to the APFC Board will not be based solely on which firm(s) submits the lowest fee proposal, as the fee proposal is only one of the selection criteria.

SEC. 4.10 REPRESENTATION AND WARRANTIES

All offerors are required to submit an executed copy of this section as an attachment to the cover letter described in this section of the RFP:

1. Offeror warrants that it meets, or will meet before the award of the contract, the bonding requirement provided by Section 412 of the Employee Retirement Income Security Act of 1974 (ERISA) or that it carries at least an equivalent fidelity bond that will be applicable to offeror's actions under the contract (unless exempt, and explanation of exemption is attached).
2. Offeror warrants that it maintains an errors and omissions insurance policy providing coverage outlined in the minimum requirements of Section II of this RFP for negligent acts or omissions and that such coverage will be applicable to offeror's actions under the contract.
3. Offeror warrants that it will not delegate its fiduciary responsibilities assumed under the contract.
4. Offeror warrants that it has completed, obtained, and performed all registrations, filings, approvals, authorizations, consents and/or examinations required by a government or governmental authority for acts contemplated by the contract.
5. Offeror warrants that is not established and headquartered or incorporated and headquartered in a country recognized as Tier 3 in the most recent United States Department of State's Trafficking in Persons Report.
6. Offeror warrants that all information that may be considered a trade secret or proprietary information as outlined in Section 7.07 of the request for proposals has been clearly identified.
7. Offeror warrants that it meets all of the minimum criteria applicable to the firm required under this RFP, as described in Section II as follows:

[Please list each minimum requirement and specifically describe how your firm meets the applicable basic minimum criteria specified in Section 1.04.]

Name of Firm

Date

Signature

Title

SECTION 5. EVALUATION CRITERIA AND CONTRACTOR SELECTION

THE TOTAL NUMBER OF POINTS USED TO SCORE THIS PROPOSAL IS 100

SEC. 5.01 PROPOSAL EVALUATION / FINALIST SELECTION - PHASE I

APFC will determine the specific methodology and criteria by which submitted proposals will be evaluated. The selection of the finalists will be made solely and exclusively within the judgment of the APFC based on APFC's evaluation of an Offeror's suitability.

APFC's evaluation team members will be considering these general areas to determine the firms that will be selected as finalists to present to the Board.

- Understanding of the APFC and approach to delivering services
- Stability and experience of the firm
- Breadth and depth of firm personnel and proposed consultant team
- Analytical tools and research capabilities
- Consulting performance track record/references
- Methodology and process for performance measurement and other analysis
- Fees

Fees will be an important component of the evaluation of the proposals. However, APFC is not required to choose the lowest cost Offeror. APFC will select the firm that best serves the management and oversight needs of the Alaska Permanent Fund Corporation.

An evaluation may not be based on discrimination due to race, religion, color, national origin, sex, age, marital status, pregnancy, parenthood, disability, or political affiliation of the offeror.

SEC. 5.02 DUE DILIGENCE SITE VISITS TO FINALISTS

APFC may conduct on-site due diligence visits to selected finalists. These visits are anticipated to occur between **May 8 – 11, 2017**.

SEC. 5.03 FINALISTS' PRESENTATIONS TO THE BOARD - PHASE II

Finalists may be requested to make a presentation to the APFC's Board of Trustees in **Juneau**, Alaska on **May 16 or 17, 2017**. Finalists will be contacted by APFC staff on or before **May 11th** and provided with guidance on the presentation and process.

SECTION 6. GENERAL PROCESS INFORMATION

SEC. 6.01 CLARIFICATION OF OFFERS

In order to determine if a proposal is reasonably susceptible for award, communications by the procurement officer or the proposal evaluation committee (PEC) are permitted with an offeror to clarify uncertainties or eliminate confusion concerning the contents of a proposal. Clarifications may not result in a material or substantive change to the proposal. The evaluation by the procurement officer or the PEC may be adjusted as a result of a clarification under this section.

SEC. 6.02 EVALUATION OF PROPOSALS

An evaluation committee made up of at least three state employees or public officials, will evaluate proposals in order to select finalists to present to the Board of Trustees. The evaluation will be based solely on the evaluation factors set out in **SECTION 5. EVALUATION CRITERIA AND CONTRACTOR SELECTION.**

After receipt of proposals, if there is a need for any substantial clarification or material change in the RFP, an amendment will be issued. The amendment will incorporate the clarification or change, and a new date and time established for new or amended proposals. Evaluations may be adjusted as a result of receiving new or amended proposals.

SEC. 6.03 ALASKA BUSINESS LICENSE AND OTHER REQUIRED LICENSES

Offeror must hold a valid Alaska business license prior to the deadline for receipt of proposals. Offerors should contact the **Department of Commerce, Community and Economic Development, Division of Corporations, Business, and Professional Licensing, PO Box 110806, Juneau, Alaska 99811-0806**, for information on these licenses. Acceptable evidence that the offeror possesses a valid Alaska business license may consist of any one of the following:

- copy of an Alaska business license;
- certification on the proposal that the offeror has a valid Alaska business license and has included the license number in the proposal;
- a canceled check for the Alaska business license fee;
- a copy of the Alaska business license application with a receipt stamp from the state's occupational licensing office; or
- a sworn and notarized statement that the offeror has applied and paid for the Alaska business license.

Prior the deadline for receipt of proposals, all offerors must hold any other necessary applicable professional licenses required by Alaska Statute.

SEC. 6.04 FAILURE TO NEGOTIATE

If the selected offeror

- fails to provide the information required to begin negotiations in a timely manner; or
- fails to negotiate in good faith; or
- indicates they cannot perform the contract within the budgeted funds available for the project; or

- if the offeror and the state, after a good faith effort, simply cannot come to terms,

the state may terminate negotiations with the offeror initially selected and commence negotiations with the next highest ranked offeror.

SEC. 6.05 OFFEROR NOTIFICATION OF SELECTION

After the completion of contract negotiation the procurement officer will issue a written Notice of Intent to Award (NIA) and send copies to all offerors. The NIA will set out the names of all offerors and identify the proposal selected for award.

SECTION 7. GENERAL LEGAL INFORMATION

SEC. 7.01 STANDARD CONTRACT PROVISIONS

The contractor will be required to sign and submit the State's Standard Agreement Form for Professional Services Contracts (form 02-093/Appendix A). This form is attached in **SECTION 8. ATTACHMENTS** for your review. The contractor must comply with the contract provisions set out in this attachment. No alteration of these provisions will be permitted without prior written approval from the Department of Law. Objections to any of the provisions in Appendix A must be set out in the offeror's proposal.

SEC. 7.02 PROPOSAL AS A PART OF THE CONTRACT

Part or all of this RFP and the successful proposal may be incorporated into the contract.

SEC. 7.03 ADDITIONAL TERMS AND CONDITIONS

The APFC reserves the right to add terms and conditions during contract negotiations. These terms and conditions will be within the scope of the RFP and will not affect the proposal evaluations.

SEC. 7.04 HUMAN TRAFFICKING

By signature on their proposal, the offeror certifies that the offeror is not established and headquartered or incorporated and headquartered in a country recognized as Tier 3 in the most recent United States Department of State's Trafficking in Persons Report.

The most recent United States Department of State's Trafficking in Persons Report can be found at the following website: <http://www.state.gov/j/tip/>

Failure to comply with this requirement will cause the state to reject the proposal as non-responsive, or cancel the contract.

SEC. 7.05 RIGHT OF REJECTION

Offerors must comply with all of the terms of the RFP, and all applicable local, state, and federal laws, codes, and regulations. The procurement officer may reject any proposal that does not comply with all of the material and substantial terms, conditions, and performance requirements of the RFP.

Offerors may not qualify the proposal nor restrict the rights of the APFC. If an offeror does so, the procurement officer may determine the proposal to be a non-responsive counter-offer and the proposal may be rejected.

Minor informalities that:

- do not affect responsiveness;
- are merely a matter of form or format;
- do not change the relative standing or otherwise prejudice other offers;
- do not change the meaning or scope of the RFP;
- are trivial, negligible, or immaterial in nature;
- do not reflect a material change in the work; or
- do not constitute a substantial reservation against a requirement or provision;

may be waived by the procurement officer.

APFC reserves the right to refrain from making an award if it determines that to be in its best interest.

A proposal from a debarred or suspended offeror shall be rejected.

SEC. 7.06 STATE NOT RESPONSIBLE FOR PREPARATION COSTS

APFC will not pay any cost associated with the preparation, submittal, presentation, or evaluation of any proposal.

SEC. 7.07 DISCLOSURE OF PROPOSAL CONTENTS

All proposals and other material submitted become the property of the State of Alaska and the APFC and may be returned only at the APFC's option. AS 40.25.110 requires public records to be open to reasonable inspection. All proposal information, including detailed price and cost information, will be held in confidence during the evaluation process and prior to the time a Notice of Intent to Award is issued. Thereafter, proposals will become public information.

Trade secrets and other proprietary data contained in proposals may be held confidential if the offeror requests, in writing at the time the proposal is submitted, that the procurement officer does so, and if the procurement officer agrees, in writing, to do so. The offeror's request must be included with the proposal, must clearly identify the information they wish to be held confidential, and include a statement that sets out the reasons for confidentiality. Unless the procurement officer agrees in writing to hold the requested information confidential, that information will also become public after the Notice of Intent to Award is issued.

SEC. 7.08 ASSIGNMENT

Per 2 AAC 12.480, the contractor may not transfer or assign any portion of the contract without prior written approval from the procurement officer.

SEC. 7.09 DISPUTES

A contract resulting from this RFP is governed by the laws of the State of Alaska. If the contractor has a claim arising in connection with the agreement that it cannot resolve with the state by mutual agreement, it shall pursue the claim, if at all, in accordance with the provisions of AS 36.30.620 – AS 36.30.632. To the extent not otherwise governed by the preceding, the claim shall be brought only in the Superior Court of the State of Alaska and not elsewhere.

SEC. 7.10 SEVERABILITY

If any provision of the contract or agreement is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected; and, the rights and obligations of the parties will be construed and enforced as if the contract did not contain the particular provision held to be invalid.

SEC. 7.11 CONTRACT INVALIDATION

If any provision of this contract is found to be invalid, such invalidation will not be construed to invalidate the entire contract.

SECTION 8. ATTACHMENTS**SEC. 8.01 ATTACHMENTS**

Attachments:

- 1) Standard Agreement Form
- 2) Standard General Provisions - Appendix A
- 3) Appendix B2

STANDARD AGREEMENT FORM FOR PROFESSIONAL SERVICES

The parties' contract comprises this Standard Agreement Form, as well as its referenced Articles and their associated Appendices

1. Agency Contract Number	2. Contract Title	3. Agency Fund Code	4. Agency Appropriation Code
5. Vendor Number	6. IRIS GAE Number (if used)	7. Alaska Business License Number	
This contract is between the State of Alaska,			
8. Department of	Division		hereafter the State, and
9. Contractor			hereafter the contractor
Mailing Address	Street or P.O. Box	City	State ZIP+4
10.			
ARTICLE 1. Appendices: Appendices referred to in this contract and attached to it are considered part of it.			
ARTICLE 2. Performance of Service:			
2.1 Appendix A (General Provisions), Articles 1 through 16, governs the performance of services under this contract.			
2.2 Appendix B sets forth the liability and insurance provisions of this contract.			
2.3 Appendix C sets forth the services to be performed by the contractor.			
ARTICLE 3. Period of Performance: The period of performance for this contract begins _____, and			
11. Department of		Attention: Division of	
Mailing Address		Attention:	
12. CONTRACTOR		14. CERTIFICATION: I certify that the facts herein and on supporting documents are correct, that this voucher constitutes a legal charge against funds and appropriations cited, that sufficient funds are encumbered to pay this obligation, or that there is a sufficient balance in the appropriation cited to cover this obligation. I am aware that to knowingly make or allow false entries or alternations on a public record, or knowingly destroy, mutilate, suppress, conceal, remove or otherwise impair the verity, legibility or availability of a public record constitutes tampering with public records punishable under AS 11.56.815-.820. Other disciplinary action may be taken up to and including dismissal.	
Name of Firm			
Signature of Authorized Representative	Date		
Typed or Printed Name of Authorized Representative			
Title			
13. CONTRACTING AGENCY		Signature of Head of Contracting Agency or Designee	
Department/Division	Date	Date	

Signature of Project Director	Typed or Printed Name
Typed or Printed Name of Project Director	Title
Title	

NOTICE: This contract has no effect until signed by the head of contracting agency or designee.

APPENDIX A

SECTION 9. GENERAL PROVISIONS

Article 1. Definitions.

- 1.1 In this contract and appendices, "Project Director" or "Agency Head" or "Procurement Officer" means the person who signs this contract on behalf of the Requesting Agency and includes a successor or authorized representative.
- 1.2 "State Contracting Agency" means the department for which this contract is to be performed and for which the Commissioner or Authorized Designee acted in signing this contract.

Article 2. Inspections and Reports.

- 2.1 The department may inspect, in the manner and at reasonable times it considers appropriate, all the contractor's facilities and activities under this contract.
- 2.2 The contractor shall make progress and other reports in the manner and at the times the department reasonably requires.

Article 3. Disputes.

- 3.1 If the contractor has a claim arising in connection with the contract that it cannot resolve with the State by mutual agreement, it shall pursue the claim, if at all, in accordance with the provisions of AS 36.30.620 – 632.

Article 4. Equal Employment Opportunity.

- 4.1 The contractor may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, or because of age, disability, sex, marital status, changes in marital status, pregnancy or parenthood when the reasonable demands of the position(s) do not require distinction on the basis of age, disability, sex, marital status, changes in marital status, pregnancy, or parenthood. The contractor shall take affirmative action to insure that the applicants are considered for employment and that employees are treated during employment without unlawful regard to their race, color, religion, national origin, ancestry, disability, age, sex, marital status, changes in marital status, pregnancy or parenthood. This action must include, but need not be limited to, the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship. The contractor shall post in conspicuous places, available to employees and applicants for employment, notices setting out the provisions of this paragraph.
- 4.2 The contractor shall state, in all solicitations or advertisements for employees to work on State of Alaska contract jobs, that it is an equal opportunity employer and that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, age, disability, sex, marital status, changes in marital status, pregnancy or parenthood.
- 4.3 The contractor shall send to each labor union or representative of workers with which the contractor has a collective bargaining agreement or other contract or understanding a notice advising the labor union or workers' compensation representative of the contractor's commitments under this article and post copies of the notice in conspicuous places available to all employees and applicants for employment.
- 4.4 The contractor shall include the provisions of this article in every contract, and shall require the inclusion of these provisions in every contract entered into by any of its subcontractors, so that those provisions will be binding upon each subcontractor. For the purpose of including those provisions in any contract or subcontract, as required by this contract, "contractor" and "subcontractor" may be changed to reflect appropriately the name or designation of the parties of the contract or subcontract.
- 4.5 The contractor shall cooperate fully with State efforts which seek to deal with the problem of unlawful discrimination, and with all other State efforts to guarantee fair employment practices under this contract, and promptly comply with all requests and directions from the State Commission for Human Rights or any of its officers or agents relating to prevention of discriminatory employment practices.
- 4.6 Full cooperation in paragraph 4.5 includes, but is not limited to, being a witness in any proceeding involving questions of unlawful discrimination if that is requested by any official or agency of the State of Alaska; permitting employees of the contractor to be witnesses or complainants in any proceeding involving questions of unlawful discrimination, if that is requested by any official or agency of the State of Alaska; participating in meetings; submitting periodic reports on the equal employment aspects of present and future employment; assisting inspection of the contractor's

facilities; and promptly complying with all State directives considered essential by any office or agency of the State of Alaska to insure compliance with all federal and State laws, regulations, and policies pertaining to the prevention of discriminatory employment practices.

4.7 Failure to perform under this article constitutes a material breach of contract.

Article 5. Termination.

The Project Director, by written notice, may terminate this contract, in whole or in part, when it is in the best interest of the State. In the absence of a breach of contract by the contractor, the State is liable only for payment in accordance with the payment provisions of this contract for services rendered before the effective date of termination.

Article 6. No Assignment or Delegation.

The contractor may not assign or delegate this contract, or any part of it, or any right to any of the money to be paid under it, except with the written consent of the Project Director and the Agency Head.

Article 7. No Additional Work or Material.

No claim for additional services, not specifically provided in this contract, performed or furnished by the contractor, will be allowed, nor may the contractor do any work or furnish any material not covered by the contract unless the work or material is ordered in writing by the Project Director and approved by the Agency Head.

Article 8. Independent Contractor.

The contractor and any agents and employees of the contractor act in an independent capacity and are not officers or employees or agents of the State in the performance of this contract.

Article 9. Payment of Taxes.

As a condition of performance of this contract, the contractor shall pay all federal, State, and local taxes incurred by the contractor and shall require their payment by any Subcontractor or any other persons in the performance of this contract. Satisfactory performance of this paragraph is a condition precedent to payment by the State under this contract.

Article 10. Ownership of Documents.

All designs, drawings, specifications, notes, artwork, and other work developed in the performance of this agreement are produced for hire and remain the sole property of the State of Alaska and may be used by the State for any other purpose without additional compensation to the contractor. The contractor agrees not to assert any rights and not to establish any claim under the design patent or copyright laws. Nevertheless, if the contractor does mark such documents with a statement suggesting they are trademarked, copyrighted, or otherwise protected against the State's unencumbered use or distribution, the contractor agrees that this paragraph supersedes any such statement and renders it void. The contractor, for a period of three years after final payment under this contract, agrees to furnish and provide access to all retained materials at the request of the Project Director. Unless otherwise directed by the Project Director, the contractor may retain copies of all the materials.

Article 11. Governing Law; Forum Selection

This contract is governed by the laws of the State of Alaska. To the extent not otherwise governed by Article 3 of this Appendix, any claim concerning this contract shall be brought only in the Superior Court of the State of Alaska and not elsewhere.

Article 12. Conflicting Provisions.

Unless specifically amended and approved by the Department of Law, the terms of this contract supersede any provisions the contractor may seek to add. The contractor may not add additional or different terms to this contract; AS 45.02.207(b)(1). The contractor specifically acknowledges and agrees that, among other things, provisions in any documents it seeks to append hereto that purport to (1) waive the State of Alaska's sovereign immunity, (2) impose indemnification obligations on the State of Alaska, or (3) limit liability of the contractor for acts of contractor negligence, are expressly superseded by this contract and are void.

Article 13. Officials Not to Benefit.

Contractor must comply with all applicable federal or State laws regulating ethical conduct of public officers and employees.

Article 14. Covenant Against Contingent Fees.

The contractor warrants that no person or agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee except employees or agencies maintained by the contractor for the purpose of securing business. For the breach or violation of this warranty, the State may terminate this contract without liability or in its discretion deduct from the contract price or consideration the full amount of the commission, percentage, brokerage or contingent fee.

Article 15. Compliance.

In the performance of this contract, the contractor must comply with all applicable federal, state, and borough regulations, codes, and laws, and be liable for all required insurance, licenses, permits and bonds.

Article 16. Force Majeure:

The parties to this contract are not liable for the consequences of any failure to perform, or default in performing, any of their obligations under this Agreement, if that failure or default is caused by any unforeseeable Force Majeure, beyond the control of, and without the fault or negligence of, the respective party. For the purposes of this Agreement, Force Majeure will mean war (whether declared or not); revolution; invasion; insurrection; riot; civil commotion; sabotage; military or usurped power; lightning; explosion; fire; storm; drought; flood; earthquake; epidemic; quarantine; strikes; acts or restraints of governmental authorities affecting the project or directly or indirectly prohibiting or restricting the furnishing or use of materials or labor required; inability to secure materials, machinery, equipment or labor because of priority, allocation or other regulations of any governmental authorities.

APPENDIX B²

INDEMNITY AND INSURANCE

Article 1. Indemnification

The Contractor shall indemnify, hold harmless, and defend the contracting agency from and against any claim of, or liability for error, omission or negligent act of the Contractor under this agreement. The Contractor shall not be required to indemnify the contracting agency for a claim of, or liability for, the independent negligence of the contracting agency. If there is a claim of, or liability for, the joint negligent error or omission of the Contractor and the independent negligence of the Contracting agency, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "Contractor" and "Contracting agency", as used within this and the following article, include the employees, agents and other contractors who are directly responsible, respectively, to each. The term "independent negligence" is negligence other than in the Contracting agency's selection, administration, monitoring, or controlling of the Contractor and in approving or accepting the Contractor's work.

Article 2. Insurance

Without limiting contractor's indemnification, it is agreed that contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the contractor's policy contains higher limits, the state shall be entitled to coverage to the extent of such higher limits. Certificates of Insurance must be furnished to the contracting officer prior to beginning work and must provide for a notice of cancellation, non-renewal, or material change of conditions in accordance with policy provisions. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach of this contract and shall be grounds for termination of the contractor's services. All insurance policies shall comply with and be issued by insurers licensed to transact the business of insurance under AS 21.

2.1 Workers' Compensation Insurance: The Contractor shall provide and maintain, for all employees engaged in work under this contract, coverage as required by AS 23.30.045, and; where applicable, any other statutory obligations including but not limited to Federal U.S.L. & H. and Jones Act requirements. The policy must waive subrogation against the State.

2.2 Commercial General Liability Insurance: covering all business premises and operations used by the Contractor in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per claim.

2.3 Commercial Automobile Liability Insurance: covering all vehicles used by the Contractor in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per claim.

2.4 Professional Liability Insurance: covering all errors, omissions or negligent acts in the performance of professional services under this agreement. Limits required per the following schedule:

Contract Amount	Minimum Required Limits
Under \$100,000	\$300,000 per Claim / Annual Aggregate
\$100,000-\$499,999	\$500,000 per Claim / Annual Aggregate
\$500,000-\$999,999	\$1,000,000 per Claim / Annual Aggregate
\$1,000,000 or over	Refer to Risk Management