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TREASURER AND TAX COLLECTOR

COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR

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August 12, 2022

SENT VIA EMAIL

Dear Interested Party:

REQUEST FOR PROPOSALS FOR THE PROVISION OF STABLE FUND CONSULTING SERVICES

The County of Los Angeles (County) Department of Treasurer and Tax Collector (TTC) is issuing this Request for Proposals (RFP) for the provision of Stable Fund Consulting Services.

You may download the RFP from the Internet by accessing the County's website at <https://camisvr.co.la.ca.us/lacobids/>, selecting "Open Solicitations," and then searching by the solicitation title of **Stable Fund Consulting Services**. You may also download the RFP by accessing the TTC's website <https://ttc.lacounty.gov/contract-opportunities/>. Potential Proposers are responsible for downloading and reviewing the entire RFP.

The RFP contains the service requirements, proposal content and format requirements, a description of the proposal selection process, and a sample contract. Potential Proposers who meet the minimum requirements identified in Paragraph 3.0, Proposer's Minimum Mandatory Qualifications, are invited to submit a proposal to provide the services described in Appendix A, Statement of Work. Potential Proposers should carefully review the RFP and ensure their proposal complies with all RFP requirements.

Pursuant to Subparagraph 7.8.10, Proposers must list all of their exceptions in their proposal submission. Proposers may not take exception to the Standard Terms and Conditions in their entirety and replace the County's Standard Terms and Conditions with the Proposer's. The TTC will consider such a proposal to be non-responsive.

The TTC will recommend approval of the contract to the most responsive and responsible Proposer. In general, the greater the number of exceptions to the terms and conditions the Proposer lists, and the more substantive the exceptions are, the less responsive the proposal will be deemed. Thus, a Proposer who lists a large number of exceptions in quantity or quality will be scored accordingly. This practice reflects the fact that a Proposer is able to accept the Standard Terms and Conditions as is, without any exception, is more responsive to the RFP than a Proposer who takes a number of exceptions to the Standard Terms and Conditions.

Interested Party
August 12, 2022
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During the negotiation process, the TTC limits the exceptions that can be negotiated to the exceptions listed in the proposal itself. The TTC would compromise the integrity of the RFP process if it were to negotiate an exception that the Proposer did not list in its proposal. If the Proposer had listed the exception in the proposal, the Proposer's score would likely have been less than originally calculated, thereby having a potential impact to the ranking of all proposals.

Proposals must be prepared in accordance with Paragraph 7.0, Proposal Submission Requirements. **Proposals are due no later than 5:00 p.m. Pacific Time on Friday, September 23, 2022**, and shall be delivered in accordance with Subparagraph 7.11 to: contracts@ttc.lacounty.gov. Proposals received after the scheduled deadline will not be accepted and shall be returned to the sender unopened.

Very truly yours,



KEITH KNOX
Treasurer and Tax Collector

KK:EVT:RK:lac



**COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR**

**REQUEST FOR PROPOSALS
FOR THE PROVISION OF
STABLE FUND CONSULTING SERVICES
FOR
DEFERRED COMPENSATION AND THRIFT PLAN,
SAVINGS PLAN
AND
PENSION SAVINGS PLAN
TTC RFP 2022-02 SFCS**

August 2022

**Prepared By
County of Los Angeles**

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APPENDICES:

- A Statement of Work:** Explains in detail the required services to be performed by the Contractor.
- B1 Statement of Work Attachments:** Attachments which accompany the Statement of Work.
- B2 Statement of Work and Contract Exhibits:** Identifies Contractor's performance requirements.
- C Sample Contract:** Identifies the terms and conditions in the Contract.
- D Required Forms:** Forms that must be completed and included in the proposal.
- E Request for Proposals Transmittal to Request a Solicitation Requirements Review:** Transmittal sent to Department requesting a Solicitation Requirements Review.
- F County of Los Angeles Policy on Doing Business with Small Business:**
County Policy
- G Jury Service Ordinance:** County Code
- H Listing of Contractors Debarred in Los Angeles County:** Contractors who are not allowed to contract with the County for a specific length of time.
- I IRS Notice 1015:** Provides information on Federal Earned Income Credit.
- J Determination of Contractor Non-Responsibility and Contractor Debarment:**
County Code
- K Defaulted Property Tax Reduction Program:** County Code

1.0 INTRODUCTION

The County of Los Angeles (County) Treasurer and Tax Collector (TTC) is issuing this Request for Proposals (RFP) to solicit proposals for contracts with a qualified firm(s) that can provide stable value fund consulting services (Stable Fund Consulting Services) to the County's Defined Contribution (DC) plans: 457 Deferred Compensation and Thrift Plan (Horizons Plan), 401(k) Savings Plan (Savings Plan), and 457 Pension Savings Plan (collectively referred to as "Plans"). The stable value funds for the Horizons Plan, Savings Plan, and Pension Savings Plan are known as the Stable Income Fund, Stable Value Fund, and Stable Asset Fund, respectively (collectively referred to as "Stable Funds"). Each Plan is overseen and administered by its respective Plan Administrative Committee (PAC).

The Horizons Plan was established in 1991. The Horizons Plan is the product of an agreement with the County unions merging the Deferred Compensation Plan (established in 1978) and the Thrift Plan (established in 1984). On a voluntary basis, the Horizons Plan is available to all full-time permanent employees with a dollar-for-dollar match up to 4% of regular earnings with immediate 100% vesting. The Horizons Plan is subject to Section 457 of the Internal Revenue Code of 1986, as amended, and other applicable laws and regulations.

The Savings Plan was established in 1984. On a voluntary basis, the Savings Plan is open to full-time permanent County employees who are not represented by a County labor organization and who are not Physicians, Deputy District Attorneys I-IV, or Deputy Public Defenders I-IV, with a dollar-for-dollar match up to 4% of compensation with 20% vesting per year leading to 100% vesting in five years. The Savings Plan is subject to Section 401(k) of the Internal Revenue Code and complies with the Internal Revenue Code of 1986, as amended, and other applicable laws and regulations.

The Pension Savings Plan was established in 1992. The Pension Savings Plan is a condition of employment for part-time, temporary, and seasonable employees who are not eligible to participate in the Los Angeles County Employees Retirement Association, with a minimum 4.5% deducted from paychecks and a dollar-for-dollar match equal to 3% of compensation with immediate 100% vesting. The Pension Savings Plan is subject to Section 457 of the Internal Revenue Code of 1986, as amended, and other application laws and regulations.

A Third Party Administrator (TPA) performs the recordkeeping for the Plans. Empower Retirement is the current TPA for all three Plans. The TPA is responsible for maintaining the account records for each participant and providing daily valuation for these accounts. Participants receive quarterly statements on their portfolios. The TPA accepts contributions twice a month through automatic payroll deductions and allocates the funds among the various investment options available through the Plans in accordance with participants' directions. Participants can change their investment allocations daily, while observing the limitations imposed by the Plans' Trade Restriction Policy; there is a 90-day waiting period for any transfers from the Stable Funds into the Bank Depository Fund. For the Savings Plan, non-vested County

matching contributions are invested in the Stable Value Fund at the direction of the Savings PAC. For the Pension Savings Plan, the Stable Asset Fund is currently the only investment option.

Plan Participants

As of June 30, 2022, the Horizons Plan had approximately 117,183 participants, the Savings Plan had approximately 18,846 participants, and the Pension Savings Plan had approximately 31,763 participants. The plan year for all Plans is the calendar year.

Plan Investments

This RFP requires Proposers to submit a proposal to provide stable fund consulting services for the Horizons Plan, the Savings Plan and/or the Pension Savings Plan. The investments currently in the Horizons Plan and Savings Plan are target dated pre-assembled funds, FDIC insured bank fund, stable value fund, balanced fund, and asset class pre-assembled funds (large-cap fund, non-US equity fund, mid-cap fund, bond fund, inflation protection fund, and small-cap fund). Additionally, a Self-Directed Brokerage (SDB) option is available for participants. Invesco is the current discretionary manager for the Plans' Stable Funds. Fund balances and investment asset categories for the Plans as of June 30, 2022 were:

<u>Horizons Plan:</u>	<u>Market Value</u>
Cash and equivalent	\$148,148,801
Actively Managed (wrapped by insurance):	
Low Duration Fixed Income	1,759,433,593
Intermediate Duration Fixed Income	1,120,980,287
Core Fixed Income	<u>732,980,261</u>
Total Stable Income Fund	3,761,542,942
Total Horizons Plan Funds	14,624,594,065

<u>Savings Plan:</u>	<u>Market Value</u>
Cash and equivalent	\$32,555,614
Actively Managed (wrapped by insurance):	
Low Duration Fixed Income	400,377,667
Intermediate Duration Fixed Income	253,298,440
Core Fixed Income	<u>165,835,933</u>
Total Stable Value Fund	852,067,654
Total Savings Plan Funds	3,750,550,862

<u>Pension Savings Plan:</u>	<u>Market Value</u>
Cash and equivalent	\$7,297,796
Actively Managed (wrapped by insurance):	
Low Duration Fixed Income	97,378,356
Intermediate Duration Fixed Income	62,340,220
Core Fixed Income	40,537,253
Total Stable Asset Fund	207,553,625

Invesco has the discretionary power to manage all the assets in the Plans' stable value funds in accordance with the adopted Stable Fund Policy Statements. Investments are either sub-advised within Invesco Group Trusts (IGT) or held in a separate account. The current list of managers is listed in Appendix B1, Statement of Work (SOW) Attachments, of this RFP.

2.0 PURPOSE/AGREEMENT FOR STABLE FUND CONSULTING SERVICES

The TTC, representing the County as Sponsor and the PACs of the County's DC plans, invite qualified firms to provide services described in Appendix A, SOW; Appendix B1, SOW Attachments; and Appendix B2, SOW and Contract Exhibits, of this RFP.

Proposers are invited to submit stable fund consulting services proposals for the Horizons Plan, the Savings Plan, and/or the Pension Savings Plan as detailed in Appendix A, SOW; Appendix B1, SOW Attachments; and Appendix B2, SOW and Contract Exhibits, of this RFP. **If one Proposer is selected to provide stable fund consulting services for multiple Plans, the Proposer shall be awarded separate contracts for each Plan: one for the Horizons Plan, one for the Savings Plan, and/or one for the Pension Savings Plan.**

2.1 Statement of Work

The County expects the Contractor to provide all services and deliverables as set forth in Appendix A, SOW; and pursuant to the terms of Appendix C, Sample Contract, and all Attachments and Contract Exhibits of this RFP.

2.2 Sample Contract: County's Terms and Conditions

The County expects the Contractor to execute and implement the Sample Contract as set forth in Appendix C of this RFP.

2.2.1 Anticipated Contract Term

The Contract Term is anticipated to be for a period of three years commencing upon approval by the PACs, unless sooner terminated or extended in whole or in part, as provided in the Contract. Thereafter, it shall automatically renew for successive one-year term for two additional years, and month-to-month thereafter as needed until a new contract is signed.

2.2.2 Contract Rates

The Contractor's rates shall remain firm and fixed for the Contract Term, as indicated in Exhibit 11, Pricing Schedules of Appendix D, Required Forms,

2.2.3 Days of Operation

The Contractor shall provide stable fund consulting services in the manner and form described in Appendix C, Sample Contract. The Contractor is not required to provide services on County recognized Holidays and may request to obtain a list of the County Observed Holidays at the time the Contract is approved, and annually from the PAC's Project Manager. Services that require access to County facilities may only be performed Monday through Friday, 8:00 a.m. to 5:00 p.m. Pacific Time (PT) excluding County Observed Holidays, unless otherwise specified in the Contract, or as requested by the County.

2.2.4 Indemnification and Insurance

Contractor shall be required to comply with the provisions contained in Appendix C, Sample Contract, Subparagraph 8.23. The Contractor shall procure, maintain, and provide to the County proof of insurance coverage for all the programs of insurance along with associated amounts specified in Appendix C, Sample Contract, Subparagraphs 8.24 and 8.25.

2.3 Terms and Definitions

All capitalized terms and definitions shall have the meaning set forth in Appendix A, SOW, Paragraph 2.0, Definitions, and Appendix C, Sample Contract, Paragraph 2.0, Definitions, or as provided in context.

3.0 PROPOSER'S MINIMUM MANDATORY QUALIFICATIONS

Interested and qualified Proposers that can demonstrate their ability to successfully provide the required services outlined in Appendix A, SOW, of this RFP are invited to submit proposals, provided they meet the following Minimum Mandatory Qualifications. Where indicated, Proposer must provide a confirming statement to demonstrate that it meets the Minimum Mandatory Qualification.

- 3.1** Proposer must (a) have been in stable value consulting business for a minimum of ten years and (b) have at least five years documented experience in providing consulting services for customized stable value funds in excess of \$1 billion for DC plans. Proposer must acknowledge it

has knowledge of applicable laws and regulations to effectively provide services as identified in Appendix A, SOW, of this RFP.

- 3.2** Proposer must identify a Contract Administrator, Contract Manager, and Alternate Contract Manager with five years of documented experience providing the required services or services similar to those identified in Appendix A, SOW, of this RFP, either with the Proposer or with another firm prior to employment with the Proposer. Proposer must provide supporting documentation with the Proposal Submission under Proposer's Background and Experience (Section B.1).
- 3.3** Proposer must acknowledge that it is a fiduciary with respect to the Plans and agree to discharge its duties and exercise its powers in accordance with the Standard of Care.
- 3.4** To avoid disqualification for reasons that relate to the violation of the investment adviser of the Securities and Exchange Commission Rules 204-2 and 206(4)-3 and 206(4)-5 under the Investment Advisers Act of 1940, commonly referred to as the "pay-to-play rules" and referred to in this RFP as "SEC Rules," Proposer must certify that it has developed a policy to address the SEC Rules and established internal procedures to monitor compliance with the SEC Rules and the Proposer's policy and agree to certain reporting and enforcement provisions related thereto. Proposer must provide the firm's most current Code of Ethics and Standards of Professional Conduct and form ADV Part II. Proposer must provide a confirming statement that it is qualified and capable of serving as an ERISA 3(21) fiduciary investment advisor and it will assume this fiduciary responsibility to the Plans if selected. The Proposer must provide supporting documentation demonstrating that it has the capability to meet this requirement.
- 3.5** Proposer must be qualified to do business in the State of California and certify that it is located within the United States of America and has ability to provide the required services as detailed in Appendix A, SOW. The Proposer must provide the address of its business office in its proposal.
- 3.6** If the Proposer's compliance with a County Contract has been reviewed by the County's Department of Auditor-Controller (A-C) within the last ten years, the Proposer must not have unresolved questioned costs identified by the A-C, in an amount over \$100,000, that are confirmed to be disallowed costs by the contracting County department, and remain unpaid for six months or more from the date of disallowance, unless such disallowed costs are the subject of current good faith negotiations to resolve the disallowed costs, in the opinion of the County.

4.0 PAC'S RIGHTS AND RESPONSIBILITIES

4.1 Representations Made Prior to Contract Execution

The County/PAC is not responsible for representations made by any of its officers or employees prior to the execution of the Contract unless such understanding or representation is included in the Contract.

4.2 Final Contract Award by the PAC

Notwithstanding a recommendation of a department, agency, individual, or other reviewing body, the PAC retains the right to exercise its judgment concerning the selection of a proposal and the terms of any resultant agreement, and to determine which proposal best serves the interests of the Plans. The PAC is the ultimate decision-making body and makes the final determinations necessary to arrive at a decision to award, or not award, a contract.

4.3 PAC's Option to Reject Proposals

Proposers are hereby advised that this RFP is a solicitation for proposals only, and is not intended, and is not to be construed as, an offer or commitment to award or enter into a contract or as a promise to engage in any formal competitive bidding or negotiations pursuant to any statute, ordinance, rule, or regulation. The TTC/PAC may, at its sole discretion, reject any or all proposals submitted in response to this RFP or may, in its sole discretion, decline to award a contract or enter into an agreement, and it may cancel the RFP in its entirety at any time prior to award of the Contract. The County shall not be liable for any costs incurred by the Proposer in connection with the preparation and submission of any proposal. The TTC/PAC reserves the right to waive inconsequential disparities in a submitted proposal.

4.4 PAC's Right to Amend Request for Proposals

The TTC/PAC has the right to amend the RFP by written addendum. The TTC/PAC is responsible only for which is expressly stated in the solicitation document and any authorized written addenda thereto. Such addendum shall be made available to each person or organization that the TTC/PAC records indicate has received this RFP. Should such addendum require additional information not previously requested or otherwise modify any submittal requirement in this RFP, failure to address the requirements of such addendum may result in the proposal being found non-responsive and not being considered, as determined in the sole discretion of the TTC/PAC. The TTC/PAC is not responsible for and shall not be bound by any representations otherwise made by any individual or entity acting or purporting to act on its behalf.

4.5 Background and Security Investigations

All Contractor personnel performing work under the Contract shall be required to undergo and pass, to the satisfaction of the TTC/PAC, a background investigation as a condition of beginning and continuing to work under the Contract.

Such background investigation shall be obtained through fingerprints submitted to the California Department of Justice to include State, local, and Federal level review, which may include, but shall not be limited to, criminal conviction information. Examples of disqualifying factors include, but are not limited to, bribery, robbery, theft, fraud, embezzlement, forgery, extortion, perjury, convictions involving a controlled substance, convictions involving stolen property, any felony conviction, a misdemeanor conviction involving moral turpitude, or any job-related misdemeanor conviction. The fees associated with background investigation shall be at the expense of the Contractor regardless if the member of Contractor's staff passes or fails the background investigation.

4.6 PAC/County's Quality Assurance Plan

After Contract Award, the PAC or its agent will monitor the Contractor's performance under the Contract on a periodic basis. Such monitoring will include assessing Contractor's compliance with all terms and conditions in the Contract and performance standards identified in Appendix A, SOW. Contractor's deficiencies which the PAC or its agent determines are significant or continuing and that may jeopardize performance of the Contract may be reported to the PAC or its agent. The report will include improvement/corrective action measures taken by the PAC or its agent and Contractor. If improvement does not occur consistent with the corrective action measures, the PAC or its agent may terminate the Contract in whole or in part, or impose other penalties as specified in the Contract.

5.0 PROPOSER'S REQUIREMENTS AND CERTIFICATIONS

5.1 Notice to Proposers Concerning the California Public Records Act

5.1.1 Responses to this solicitation shall become the exclusive property of the PAC. Absent extraordinary circumstances, the recommended Proposer's proposal will become a matter of public record when (1) contract negotiations are complete; (2) TTC receives a letter from the recommended Proposer's authorized officer that the negotiated Contract is the firm offer of the recommended Proposer; and (3) TTC releases a copy of the recommended Proposer's proposal in response to a Notice of Intent to Request a Proposed Contractor Selection Review under [Board Policy No. 5.055 \(Services Contract Solicitation Protest\)](#).

Notwithstanding the above, absent extraordinary circumstances, all proposals will become a matter of public record when the TTC's Proposer recommendation appears on the PAC agenda.

Exceptions to disclosure are those parts or portions of all proposals that are justifiably defined as business or trade secrets, and plainly marked by the Proposer as "Trade Secret," "Confidential," or "Proprietary."

5.1.2 The County/PAC shall not, in any way, be liable or responsible for the disclosure of any such record or any parts thereof, if disclosure is required or permitted under the California Public Records Act or otherwise by law. A blanket statement of confidentiality or the marking of each page of the proposal as confidential shall not be deemed sufficient notice of exception. The Proposers must specifically label only those provisions of their respective proposal which are "Trade Secrets," "Confidential," or "Proprietary" in nature.

5.1.3 In the event the County/PAC is required to defend an action on a California Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a proposal marked "Confidential," "Trade Secrets," or "Proprietary," Proposer agrees to defend and indemnify the County/PAC from all costs and expenses, including reasonable attorneys' fees, incurred in connection with any action, proceedings, or liability arising in connection with the California Public Records Act request.

5.2 Contact with County/PAC/TTC Personnel

5.2.1 All contact regarding this solicitation or any matter relating thereto must be in writing and may be emailed as follows:

Email Address: contracts@ttc.lacounty.gov

Subject Line: TTC RFP 2022-02 SFCS

Attn: Rena Kamasawa

If it is discovered that the Proposer contacted and received information from any County/PAC/TTC personnel, other than the person specified above, regarding this solicitation, the TTC/PAC, in its sole determination, may disqualify the proposal from further consideration.

5.2.2 It is the sole responsibility of the Proposer to ensure the TTC receives Proposer's written correspondence. Proposer shall bear all risks associated with delays in delivery by any person, entity, or means, including email. Should Proposer submit written correspondence, which is subject to a submission deadline, Proposer shall confirm

delivery prior to the stated deadline. The TTC will not extend a submission deadline due to delays in or failed delivery.

5.3 Mandatory Requirement to Register on County's WebVen

Prior to a contract award, all potential contractors must register in the County's WebVen. WebVen contains the vendor's business profile and identifies the goods/services the business provides. Registration can be accomplished online via the Internet by accessing the County's home page at <http://camisvr.co.la.ca.us/webven/>.

5.4 Protest Policy Review Process

5.4.1 Under [Board Policy No. 5.055 \(Services Contract Solicitation Protest\)](#), any prospective Proposer may request a review of the requirements under a solicitation for a PAC-approved services contract, as described in Subparagraph 5.4.3, Grounds for Review, of this RFP. Additionally, any actual Proposer may request a review of a disqualification or of a proposed Contract Award under such a solicitation, as described respectively in the Subparagraphs below. It is the responsibility of the Proposer challenging the decision of a PAC to demonstrate that the PAC committed a sufficiently material error in the solicitation process to justify invalidation of a proposed Contract Award.

5.4.2 Throughout the review process, the PAC has no obligation to delay or otherwise postpone a Contract Award based on a Proposer's protest. In all cases, the PAC reserves the right to make an award when it is determined to be in the best interest of the Plans to do so regardless of a pending solicitation protest.

5.4.3 Grounds for Review

Unless State or Federal statutes or regulations otherwise provide, the grounds for review of a solicitation for a PAC-approved services contract provided for under [Board Policy No. 5.055](#) are limited to the following:

1. Review of Solicitation Requirements (Reference Subparagraph 7.3 in the Proposal Submission Requirements Section)
2. Review of a Disqualified Proposal (Reference Subparagraph 8.3 in the Selection Process and Evaluation Criteria Section)
3. Review of Proposed Contractor Selection (Reference Subparagraph 8.7 in the Selection Process and Evaluation Criteria Section)

5.5 Injury and Illness Prevention Program

Contractor shall be required to comply with the State of California's Cal/OSHA's regulations. [California Code of Regulations](#) requires all California employers to have a written, effective Injury and Illness Prevention Program (IIPP) that addresses hazards pertaining to the particular workplace covered by the program.

5.6 Confidentiality and Independent Contractor Status

As appropriate, Contractor shall be required to comply with the Confidentiality provision contained in Subparagraph 7.11 and the Independent Contractor Status provisions contained in Subparagraph 8.22 in Appendix C, Sample Contract.

5.7 Conflict of Interest

No County employee or PAC member or alternate whose position in the County/PAC enables him/her to influence the selection of a Contractor for this RFP, or any competing RFP, nor any spouse, or economic dependent of such employees or PAC members or alternates, shall be employed in any capacity by a Proposer or have any other direct or indirect financial interest in the selection of a Contractor. Proposer shall certify that he/she is aware of and has read [Section 2.180.010 of the County Code](#) as stated in Exhibit 5, Certification of No Conflict of Interest of Appendix D, Required Forms.

5.8 Determination of Proposer Responsibility

5.8.1 A responsible Proposer is a Proposer who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity, and experience to satisfactorily perform the Contract. It is the County's policy to conduct business only with responsible Proposers.

5.8.2 Proposers are hereby notified that, in accordance with [Chapter 2.202 of the County Code](#), Determination of Contractor Non-Responsibility and Contractor Debarment, the County/PAC may determine whether the Proposer is responsible based on a review of the Proposer's performance on any contracts, including but not limited to, County and/or PAC contracts. The County's/PAC's review may take into consideration any information it obtains or that is brought to its attention and that it deems relevant whether or not contained in a response to this RFP. Particular attention will be given to violations of labor laws related to employee compensation and benefits, and evidence of false claims made by the Proposer against public entities. Labor law violations which are the fault of the Subcontractors and of which the Proposer had no knowledge shall not be the basis of a determination that the Proposer is not responsible.

- 5.8.3** The County/PAC may declare a Proposer to be non-responsible for purposes of this Contract if the County/PAC, in its discretion, finds that the Proposer has done any of the following: (1) violated a term of a contract with the County/PAC or a nonprofit corporation created by the County; (2) committed an act or omission which negatively reflects on the Proposer's quality, fitness or capacity to perform a Contract with the County/PAC, any other public entity, or a nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same; (3) committed an act or omission which indicates a lack of business integrity or business honesty; or (4) made or submitted a false claim against the County/PAC, or any other public entity.
- 5.8.4** If there is evidence that a Proposer may not be responsible, the TTC/PAC may notify the Proposer in writing of the evidence relating to the Proposer's responsibility, and its intention to recommend to the Board of Supervisors that the Proposer be found not responsible. The TTC/PAC shall provide the Proposer and/or the Proposer's representative with an opportunity to present evidence as to why the Proposer should be found to be responsible and to rebut evidence which is the basis for the TTC/PAC's recommendation.
- 5.8.5** If the Proposer presents evidence in rebuttal to the TTC/PAC, the TTC/PAC shall evaluate the merits of such evidence, and based on that evaluation, may make a recommendation to the Board of Supervisors. The final decision concerning the responsibility of the Proposer shall reside with the Board of Supervisors.
- 5.8.6** These terms shall also apply to proposed Subcontractors of Proposers on County/PAC contracts.

5.9 Proposer Debarment

- 5.9.1** The Proposer is hereby notified that, in accordance with [Chapter 2.202 of the County Code](#), the County may debar the Proposer from bidding or proposing on, or being awarded, and/or performing work on other PAC/County contracts for a specified period of time, which generally will not exceed five years but may exceed five years or be permanent if warranted by the circumstances, and the County/PAC may terminate any or all of the Proposer's existing contracts with the County/Plans, if the Board of Supervisors finds, in its discretion, that the Proposer has done any of the following: (1) violated a term of a contract with the County/Plans or a nonprofit corporation created by the County; (2) committed an act or omission which negatively reflects on the Proposer's quality, fitness or capacity to perform a Contract with the County/Plans, any other public entity, or a nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same; (3) committed an act or

offense which indicates a lack of business integrity or business honesty; or (4) made or submitted a false claim against the County/Plans or any other public entity.

- 5.9.2** If there is evidence that the apparent highest ranked Proposer may be subject to debarment, the TTC/PAC shall notify the Proposer in writing of the evidence which is the basis for the proposed debarment and shall advise the Proposer of the scheduled date for a debarment hearing before the Contractor Hearing Board.
- 5.9.3** The Contractor Hearing Board shall conduct a hearing where evidence on the proposed debarment is presented. The Proposer and/or Proposer's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the Proposer should be debarred, and, if so, the appropriate length of time of the debarment. The Proposer and the TTC/PAC shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.
- 5.9.4** After consideration of any objections, or if no objections are received, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.
- 5.9.5** If a Proposer has been debarred for a period longer than five years, that Proposer may, after the debarment has been in effect for at least five years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Proposer has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the County.
- 5.9.6** The Contractor Hearing Board will consider requests for review of a debarment determination only where (1) the Proposer has been debarred for a period longer than five years; (2) the debarment has been in effect for at least five years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the

request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

5.9.7 The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

5.9.8 These terms shall also apply to proposed Subcontractors of Proposers on County/Plan contracts.

5.9.9 Appendix H, Listing of Contractors Debarred in Los Angeles County, provides a link to the County's website where there is a listing of Contractors that are currently on the Debarment List for the County.

5.10 Adherence to County's Child Support Compliance Program

Proposers shall: 1) fully comply with all applicable State and Federal reporting requirements relating to employment reporting for its employees; and 2) comply with all lawfully served Wage and Earnings Assignment Orders and Notice of Assignment and continue to maintain compliance during the term of any contract that may be awarded pursuant to this solicitation. Failure to comply may be cause for termination of a contract or initiation of debarment proceedings against the non-compliant Contractor ([County Code Chapter 2.202](#)).

5.11 Gratuities

5.11.1 Attempt to Secure Favorable Treatment

It is improper for any County officer, employee or agent to solicit consideration, in any form, from a Proposer with the implication, suggestion or statement that the Proposer's provision of the consideration may secure more favorable treatment for the Proposer in the award of the Contract or that the Proposer's failure to provide such consideration may negatively affect the County's consideration of the Proposer's submission. A Proposer shall not offer or give either directly or through an intermediary, consideration, in any form, to a County officer, employee or agent for the purpose of securing favorable treatment with respect to the award of the Contract.

5.11.2 Proposer Notification to the PAC/County

A Proposer shall immediately report any attempt by a County officer, employee, PAC member or alternate, or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County A-C's Employee Fraud Hotline at (800) 544-6861. Failure to report such a solicitation may result in the Proposer's submission being eliminated from consideration.

5.11.3 Form of Improper Consideration

Among other items, such improper consideration may take the form of cash, discounts, services, the provision of travel or entertainment, or tangible gifts.

5.12 Notice to Proposers Regarding the County Lobbyist Ordinance

The Board of Supervisors of the County has enacted an ordinance regulating the activities of persons who lobby County Officials. This ordinance, referred to as the "Lobbyist Ordinance," defines a County Lobbyist and imposes certain registration requirements upon individuals meeting the definition. The complete text of the ordinance can be found in [County Code Chapter 2.160](#). In effect, each person, corporation or other entity that seeks a County permit, license, franchise or contract must certify compliance with the ordinance. As part of this solicitation process, it will be the responsibility of each Proposer to review the ordinance independently as the text of said ordinance is not contained within this RFP. Thereafter, each person, corporation, or other entity submitting a response to this solicitation, must certify that each County Lobbyist, as defined by County Code Section 2.160.010, retained by the Proposer is in full compliance with Chapter 2.160 of the County Code and each such County Lobbyist is not on the Executive Office's List of Terminated Registered Lobbyists by completing and submitting Exhibit 6, Familiarity with the County Lobbyist Ordinance Certification, as set forth in Appendix D, Required Forms, Exhibit 6, as part of their proposal.

5.13 Federal Earned Income Credit

The Contractor shall notify its employees, and shall require each Subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Appendix I ([Internal Revenue Service Notice No. 1015](#)).

5.14 Consideration of GAIN/GROW Participants for Employment

Proposers are asked to attest to a willingness to consider Greater Avenues for Independence (GAIN) or General Relief Opportunity for Work (GROW)

participants for any future employment openings if they meet the minimum qualifications for that opening. Proposers are also asked to attest to a willingness to provide employed GAIN/GROW participants access to the Proposers' employee mentoring program, if available, to assist these individuals in obtaining permanent employment and/or promotional opportunities.

Proposers shall submit a completed, "Attestation of Willingness to Consider GAIN/GROW Participants," form, as set forth in Appendix D, Required Forms, Exhibit 9, along with their proposal.

5.15 Recycled Bond Paper

Proposer shall be required to comply with the County's policy on recycled bond paper as specified in Appendix C, Sample Contract, Subparagraph 8.39.

5.16 Jury Service Program

5.16.1 The prospective contract is subject to the requirements of the County's Contractor Employee Jury Service Ordinance ("Jury Service Program") [County Code, Chapter 2.203](#). Prospective Contractors should carefully read Appendix G, Jury Service Ordinance, and the pertinent jury service provisions of Appendix C, Sample Contract, Subparagraph 8.8, Compliance with the County's Jury Service Program, both of which are incorporated by reference into and made a part of this RFP. The Jury Service Program applies to both Contractors and their Subcontractors.

Proposals that fail to comply with the requirements of the Jury Service Program will be considered non-responsive and excluded from further consideration.

5.16.2 The Jury Service Program requires Contractors and their Subcontractors to have and adhere to a written policy that provides that its employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with the Contractor or that the Contractor deducts from the employee's regular pay the fees received for jury service. For purposes of the Jury Service Program, "employee" means any California resident who is a full-time employee of a Contractor and "full-time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) the Contractor has a long-standing practice that defines the lesser number of hours as full-time. Therefore, the Jury Service Program applies to all of a Contractor's full-time California employees, even those not working

specifically on the County project. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program.

5.16.3 There are two ways in which a Contractor might not be subject to the Jury Service Program. The first is if the Contractor does not fall within the Jury Service Program's definition of "Contractor." The Jury Service Program defines "Contractor" to mean a person, partnership, corporation of other entity which has a Contract with the County or a Subcontract with a County Contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County Contracts or Subcontracts. The second is if the Contractor meets one of the two exceptions to the Jury Service Program. The first exception concerns small businesses and applies to Contractors that have 1) ten or fewer employees; and 2) annual gross revenues in the preceding 12 months which, if added to the annual amount of this Contract is less than \$500,000; and 3) is not an "affiliate or subsidiary of a business dominant in its field of operation." The second exception applies to Contractors that possess a collective bargaining agreement that expressly supersedes the provisions of the Jury Service Program. The Contractor is subject to any provision of the Jury Service Program not expressly superseded by the collective bargaining agreement.

5.16.4 If a Contractor does not fall within the Jury Service Program's definition of "Contractor" or if it meets any of the exceptions to the Jury Service Program, then the Contractor must so indicate in Exhibit 10, Contractor Employee Jury Service Program Certification Form and Application for Exception of Appendix D, Required Forms, and include with its submission all necessary documentation to support the claim such as tax returns or a collective bargaining agreement, if applicable. Upon reviewing the Contractor's application, the County will determine, in its sole discretion, whether the Contractor falls within the definition of Contractor or meets any of the exceptions to the Jury Service Program. The County's decision will be final.

5.17 Intentionally Omitted

5.18 Notification to County of Pending Acquisitions/Mergers by Proposing Company

The Proposer shall notify the TTC/PAC of any pending acquisitions/mergers of its company unless otherwise legally prohibited from doing so. If the Proposer is restricted from legally notifying the TTC/PAC of pending acquisitions/mergers, then it should notify the TTC/PAC of the actual

acquisitions/mergers as soon as the law allows and provide to the TTC/PAC the legal framework that restricted it from notifying the TTC/PAC prior to the actual acquisitions/mergers. This information shall be provided by the Proposer in Exhibit 1, Proposer's Organization Questionnaire/Affidavit, of Appendix D, Required Forms. Failure of the Proposer to provide this information may eliminate its proposal from any further consideration. Proposer shall have a continuing obligation to notify TTC/PAC and update any changes to its response in Exhibit 1, Proposer's Organization Questionnaire/Affidavit, during the solicitation.

5.19 Intentionally Omitted

5.20 Defaulted Property Tax Reduction Program

The prospective contract is subject to the requirements of the County's Defaulted Property Tax Reduction Program ("Defaulted Tax Program") ([Los Angeles County Code, Chapter 2.206](#)) Prospective Contractors should carefully read Appendix K, Defaulted Property Tax Reduction Program, and the pertinent provisions in Appendix C, Sample Contract, Subparagraph 8.51 and 8.52, both of which are incorporated by reference into and made a part of this solicitation. The Defaulted Tax Program applies to both Contractors and their Subcontractors.

Proposers shall be required to certify that they are in full compliance with the provisions of the Defaulted Tax Program and shall maintain compliance during the term of any Contract that may be awarded pursuant to this solicitation or shall certify that they are exempt from the Defaulted Tax Program by completing Exhibit 13, Certification of Compliance with The County's Defaulted Property Tax Reduction Program, of Appendix D, Required Forms. Failure to maintain compliance, or to timely cure defects, may be cause for termination of a Contract or initiation of debarment proceedings against the non-compliance Contractor ([Los Angeles County Code, Chapter 2.202](#))

Proposals that fail to comply with the certification requirements of the Defaulted Tax Program will be considered non-responsive and excluded from further consideration.

5.21 Time Off for Voting

The Contractor shall notify its employees, and shall require each Subcontractor to notify and provide to its employees, information regarding the time off for voting law ([Elections Code Section 14000](#)). Not less than ten days before every statewide election, every Contractor and Subcontractor shall keep posted conspicuously at the place of work, if practicable, or elsewhere where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of Section 14000.

5.22 Proposer's Acknowledgement of County's Commitment to Zero Tolerance Policy on Human Trafficking

On October 4, 2016, the Los Angeles County Board of Supervisors approved a motion taking significant steps to protect victims of human trafficking by establishing a zero-tolerance policy on human trafficking. The policy prohibits Contractors engaged in human trafficking from receiving Contract awards or performing services under a County Contract.

Contractors are required to complete Exhibit 14, Zero Tolerance Policy on Human Trafficking Certification, in Appendix D, Required Forms, certifying that they are in full compliance with the County's Zero Tolerance Policy on Human Trafficking provision as defined in Appendix C, Sample Contract, Subparagraph 8.55, Compliance with County's Zero Tolerance Policy on Human Trafficking of Appendix C, Sample Contract. Further, Contractors are required to comply with the requirements under said provision for the term of any Contract awarded pursuant to this solicitation.

5.23 Intentionally Omitted

5.24 Default Method of Payment: Direct Deposit or Electronic Funds Transfer (EFT)

5.24.1 The County, at its sole discretion, has determined that the most efficient and secure default form of payment for goods and/or services provided under an agreement/contract with the PAC shall be Electronic Funds Transfer (EFT) or direct deposit, unless an alternative method of payment is deemed appropriate by the PAC/TTC.

5.24.2 Upon contract award or at the request of the PAC/TTC, the Contractor shall submit an EFT request form with banking and vendor information, W-9 and any other information that the PAC/TTC determines is reasonably necessary to process the payment and comply with all accounting, record keeping, and tax reporting requirements.

5.24.3 Any provision of law, grant, or funding agreement requiring a specific form or method of payment other than EFT or direct deposit shall supersede this requirement with respect to those payments.

5.24.4 Upon Contract Award or at any time during the duration of the Contract, a Contractor may submit a written request for an exemption to this requirement. The PAC/TTC, shall decide whether to approve exemption requests.

5.25 Proposer's Acknowledgement of County's Commitment to Fair Chance Employment Hiring Practices

On May 29, 2018, the Los Angeles County Board of Supervisors approved a Fair Chance Employment Policy in an effort to remove job barriers for individuals with criminal records. The policy requires businesses that contract with the County to comply with fair chance employment hiring practices set forth in, [California Government Code Section 12952](#) Employment Discrimination: Conviction History (Section 12952).

Contractors are required to certify that they, and their Subcontractors, are in full compliance with Section 12952, as indicated in the Sample Contract. Further, Contractors are required to comply with the requirements under Section 12952 for the term of any contract awarded pursuant to this solicitation.

5.26 Prohibition from Participation in Future Solicitation(s)

A Proposer, or a Contractor or its subsidiary or Subcontractor ("Proposer/Contractor"), is prohibited from submitting a bid or proposal in a County solicitation if the Proposer/Contractor has provided advice or consultation for the solicitation. A Proposer/Contractor is also prohibited from submitting a bid or proposal in a County solicitation if the Proposer/Contractor has developed or prepared any of the solicitation materials on behalf of the County. A violation of this provision shall result in the disqualification of the Proposer/Contractor from participation in the County solicitation or the termination or cancellation of any resultant County/PAC contract.

5.27 COVID-19 Vaccinations of County Contractor Personnel

Proposers are advised that it must comply with [Chapter 2.212 \(COVID-19 Vaccinations of County Contractor Personnel\) of County Code Title 2 - Administration, Division 4](#) as a condition of performing work under any awarded contract resulting from this solicitation. Proposers are advised to review the requirements of Chapter 2.212 (COVID-19 Vaccinations of County Contractor Personnel) and the sample contract requirements prior to submitting a proposal to this solicitation. A completed Exhibit G (COVID-19 Vaccination Certification of Compliance) is a required part of any agreement with the County.

5.28 Information Security and Privacy Requirements

Prospective Contractors should carefully read Exhibit K and the pertinent provisions in Subparagraph 9.2 Information Security and Privacy Requirements, of Appendix C, Sample Contract, both of which are incorporated by reference into and made a part of this solicitation. The Information Security and Privacy Requirements applies to both Contractors and their Subcontractors.

Proposers shall be required to certify that they are in full compliance with the provisions of the Information Security and Privacy Requirements and shall maintain compliance during the term of any contract that may be awarded pursuant to this solicitation. Failure to maintain compliance, or to timely cure defects, may be cause for Contract termination or initiation of debarment proceedings against the non-compliant Contractor ([Los Angeles County Code, Chapter 2.202](#))

6.0 INTENTIONALLY OMITTED

7.0 PROPOSAL SUBMISSION REQUIREMENTS

This section contains key project dates and activities as well as instructions to Proposers on how to prepare and submit their proposal.

7.1 Truth and Accuracy of Representations

False, misleading, incomplete, or deceptively unresponsive statements in connection with a proposal shall be sufficient cause for rejection of the proposal. The evaluation and determination in this area shall be at the Treasurer and Tax Collector’s sole judgment and his judgment shall be final. All proposals shall be firm and final offers and may not be withdrawn for a period of 270 days following the final proposal submission date.

7.2 RFP Timetable

The timetable for this RFP is as follows:

RFP TIMETABLE	
Release of RFP	Friday, August 12, 2022
Request for a Solicitation Requirements Review Due	Friday, August 19, 2022 by 5:00 p.m. PT
Written Questions Due	Friday, August 26, 2022 by 5:00 p.m. PT
Questions and Answers Released by Addendum on or about	Wednesday, September 7, 2022
Proposals Due	Friday, September 23, 2022 by 5:00 p.m. PT

7.3 Solicitation Requirements Review

Any person or entity may seek a Solicitation Requirements Review by submitting Appendix E, RFP Transmittal to Request a Solicitation Requirements Review, to the department conducting the solicitation as described in this paragraph. A request for a Solicitation Requirements

Review may be denied, in the TTC/PAC's sole discretion, if the request does not satisfy all of the following criteria:

1. The request is made within the timeframe identified in the solicitation document;
2. The request includes documentation (e.g., letterhead, business card, etc.), which identifies the underlying authority of the person or entity to submit a proposal;
3. The request itemizes in appropriate detail, each matter contested and factual reasons for the requested review; and
4. The request asserts either that:
 - a. application of the minimum requirements, evaluation criteria and/or business requirements unfairly disadvantage the person or entity; or
 - b. due to unclear instructions, the process may result in the PAC not receiving the best possible responses from prospective Proposers.

The request for Solicitation Requirements Review shall be completed and submitted on or before the date indicated in Subparagraph 7.2, RFP Timetable, and the TTC/PAC's determination shall be provided to the requesting person or entity, in writing, within a reasonable time prior to the proposal due date.

All Requests for Solicitation Requirements Review shall be submitted to:

Email Address: contracts@ttc.lacounty.gov

Subject Line: TTC RFP 2022-02 SFCS – Solicitation Requirements Review

Attn: Rena Kamasawa

7.4 Proposers' Questions

Proposers may submit written questions regarding this RFP by email to the individual identified below. All questions must be received by the date and time indicated in Subparagraph 7.2, RFP Timetable. All questions, without identifying the submitting company, will be compiled with the appropriate answers and issued as an addendum to the RFP.

When submitting questions, please specify the RFP paragraph number, and page number and quote the language that prompted the question. This will ensure that the question can be quickly found in the RFP. The TTC/PAC reserves the right to group similar questions when providing answers.

Questions may address concerns that the application of minimum mandatory qualifications, evaluation criteria, and/or business requirements would unfairly disadvantage Proposers or, due to unclear instructions, may result in the County not receiving the best possible responses from Proposer.

Questions should be addressed to:

Email Address: contracts@ttc.lacounty.gov

Subject Line: TTC RFP 2022-02 SFCS – Proposers’ Questions

Attn: Rena Kamasawa

7.5 Intentionally Omitted

7.6 Intentionally Omitted

7.7 Preparation of the Proposal

7.7.1 Proposers must submit two separate proposals: Business Proposal and a Cost Proposal, which are submitted in the prescribed format. The TTC/PAC may reject any proposal that deviates from this format as non-responsive without review, at the TTC/PAC’s sole discretion.

7.7.2 Proposer should ensure its proposal includes complete and thorough responses to all requirements within this RFP using its own words and not copy language directly from this RFP. The objective of the proposal submission is for the TTC/PAC to ascertain the Proposer’s ability to provide the required services. In addition, specific information is requested from all Proposers to ensure that the proposals can be fairly evaluated in a standard manner.

7.7.3 The TTC/PAC assumes no responsibility for any misunderstanding or representations made by any of its employees prior to the execution of a Contract concerning requirements or other conditions related to proposals unless such requirement or condition is included in the RFP or in an addendum to the RFP.

7.8 Business Proposal Format

7.8.1 The content and sequence of documents and submittals constituting the proposal must be as follows:

- Transmittal Letter
- Proposer’s Organization Questionnaire/Affidavit **and** Required Support Documents for Corporations and Limited Liability Companies
- Table of Contents
- Executive Summary (Section A)
- Proposer’s Qualifications (Section B)

- Proposer's Background and Experience (Section B.1)
- Proposer's References (Section B.2)
- Proposer's Pending Litigation and Judgments (Section B.3)
- Proof of Insurability (Section B.4)
- Intentionally Omitted (Section B.5)
- Financial Capability (Section B.6)
- Proposer's Approach to Provide Required Services (Section C)
- Proposer's Quality Control Plan (Section D)
- Proposer's Business Continuity Plan (Section E)
- Terms and Conditions in the Sample Contract, and Requirements of the SOW: Acceptance of/or Exceptions to (Section F)
- Business Proposal Required Forms (Section G)

7.8.2 Transmittal Letter

The transmittal letter must be a maximum of one page and submitted on Proposer's letterhead. The transmittal letter must:

- a. Include Proposer's name, address, email address, telephone and facsimile numbers of the contact person(s) authorized to represent the Proposer;
- b. bear the signature of the person authorized to sign on behalf of the Proposer and to bind the applicant in a contract;
- c. indicate whether or not the Proposer intends to perform the Contract as a single Proposer; and
- d. include a statement indicating that the Proposer will bear sole and complete responsibility for all work as defined in Appendix A, SOW.

7.8.3 Proposer's Organization Questionnaire/Affidavit and Required Support Documentation

- 7.8.3.1 Proposer shall complete, sign, and date Exhibit 1, Proposer's Organization Questionnaire/Affidavit, as set forth in Appendix D, Required Forms. The person signing the form must be authorized to sign on behalf of the Proposer and to bind the applicant in a contract. Taking into account the structure of Proposer's organization, Proposer shall determine which of the below referenced supporting documents the County/PAC/TTC requires. If Proposer's organization does not fit into one of these categories, upon receipt of the proposal or at some later time, the County/PAC/TTC may, in its discretion, request additional

documentation regarding Proposer's business organization and authority of individuals to sign Contracts.

If the below referenced documents are not available at the time of proposal submission, Proposers must request the appropriate documents from the California Secretary of State and provide a statement on the status of the request.

7.8.3.2 Required Support Documents

Corporations or Limited Liability Company (LLC):

Proposer must submit the following documentation with the proposal:

1. A copy of a "Certificate of Good Standing" with the state of incorporation/organization.
2. A conformed copy of the most recent "Statement of Information" as filed with the California Secretary of State listing corporate officers or members and managers.

For Proposers incorporated in another state, please refer to the California Secretary of State website at <https://www.sos.ca.gov/business-programs/business-entities/faqs> and under Frequently Asked Questions, click on Form/Register, license or terminate a business entity link. Refer to the following questions to determine if you must register with the California Secretary of State:

- Do I have to qualify or register a foreign (out-of-state or out-of-country) business entity?
- How do I qualify or register a foreign (out-of-state or out-of-country) business entity in California?

The TTC is not able to advise Proposers incorporated in another State as to whether or not the business must qualify/register to do business in California. Proposers should consult with its respective legal counsels on this matter as necessary.

If you determine you are not required to qualify/register with the California Secretary of State, you must provide a conformed copy of the most recent "Statement of Information" or its equivalent from your state.

Limited Partnership:

Proposer must submit a conformed copy of the Certificate of Limited Partnership or Application for Registration of Foreign Limited Partnership as filed with the California Secretary of State and any amendments. For Proposers incorporated in another state, please refer to the information above related to the requirement to qualify or register with the California Secretary of State.

7.8.4 Table of Contents

List all material included in the Proposal. Include a clear definition of the material, identified by sequential page numbers and section reference numbers.

7.8.5 Executive Summary (Section A)

Condense and highlight the contents of Proposer's Business Proposal to provide the PAC/TTC with a broad understanding of Proposer's approach, qualifications, experience, and staffing.

7.8.6 Proposer's Qualifications (Section B)

Demonstrate that the Proposer has the experience and financial capability to perform the required services. Proposer must include the following sections:

A. Proposer's Background and Experience (Section B.1)

- a. Provide a summary of relevant background information to demonstrate that the Proposer meets or exceeds the minimum requirements stated in Paragraph 3.0, Proposer's Minimum Mandatory Qualifications, of this RFP, and has the capability to perform the required services as a corporation or other entity.
- b. Organization: Describe the firm's organizational structure; provide a brief history of your organization and the stable fund consulting department, including year of organization, current ownership/structure, affiliated companies, and location(s) of office for this assignment. Include an organizational chart of your firm with emphasis on the stable fund consulting department and the team that will be providing the stable fund consulting services. Describe your investment philosophy and process in stable fund consulting services for governmental entities. Describe the investment

manager consulting process. Describe the significance of investment manager fee structure in the search. Outline your criteria used to make manager hiring and firing recommendations. Describe how your organization can ensure client satisfaction.

- c. Risk: Describe your firm's view of risk and how it is incorporated in the portfolio construction and manager selection process. Identify the risks and provide examples specific to stable value fund program design. Identify and describe the risk measurements your firm reports. Please provide samples of risk reports which may be a component of the performance reports, manager search reports, and/or asset allocation/portfolio construction reports.
- d. Asset Allocations, Program Design, and Stable Value Fund Strategy: Describe your modeling concepts and methodology used to perform asset allocations relating to stable value fund program design and include any assumptions. How often should a formal/informal asset allocation review or program review be conducted? Please provide an example of a model stable value fund program in similar size and scope of the Plans' Stable Funds along with some commentary justifying the design. Additionally, please provide a strategy for the wrap contract design, based on current market conditions.
- e. Database and Research: Provide a description of the data sources you would use for a stable value fund consulting mandate. In your description, please include whether the data source is third-party or proprietary and the primary use for the data source. For proprietary data sources, please describe your due diligence process for populating the databases. Also, if there are any proprietary rating systems, describe the factors that may lead to an upgrade or downgrade. Regarding compensation, describe any forms of compensation you receive from your proprietary data source. Would external parties, such as clients or investment managers, have access to the data sources resulting from a relationship with your firm?
- f. Staff: Identify the proposed Contract Administrator, Contract Manager, Alternate Contract Manager and the staff member(s) of the Contract including their documented experience in stable value fund consulting services (e.g., professional license, certificate of completion, degree, resume) as identified in Appendix A, SOW. Provide a copy of the completed Exhibit 1B, Project Staff Background, of Appendix D, Required Forms, for each, including their names

and location(s) responsible for our account. Include titles, functions, credentials, and number of years' experience in stable value fund consulting services for DC or governmental plans, identifying the client(s) they worked for by time period. Disclose the total assets and current number of clients advised, and any other duties assigned to each staff. What is the average client-to-consultant ratio? Briefly describe the internal training procedures for consultants, research analysts, and performance measurement specialists. What specific methods are employed to keep staff current in regard to continuing education and changing market conditions? Identify and explain role of backup personnel.

Identify the number of people designated as:

1. Stable value fund consulting
2. Client service
3. Administrative and support personnel
4. Others
5. Total personnel in organization supporting the above services.

The PAC/TTC may, in its discretion, request for additional staff members' information as well.

- g. Other Services: List all services your firm provides related to DC plans, including services that you may have provided to meet client-specific needs. Specify the services that are your special strengths and services provided to DC plans. Describe any and all services provided to plan sponsor organizations.
- h. Corporate Philosophy: Summarize your philosophy relating to the Proposer's relationship with administrative committees, staff, money managers, corporate organizations, etc.
- i. Conflict of Interest: Describe policies and procedures to prevent possible conflicts of interest with other clients' interests, or which may result from other investment products or services provided by your firm, or affiliated organizations. Describe services/products that your organization provides to investment managers, including stable value investment managers. Provide a list of these investment managers and the total revenue received for each of the past five years. Describe your organization's investment management services and the revenues earned through these services as a percentage of your total revenues. Describe the broker/dealer business of your organization and to what extent you trade for client accounts. Describe any

commissions, fees (direct/indirect), revenue sharing, or any soft dollar compensation paid to the organization. List the aggregate sources and amounts for each of the last five years.

- j. Compensation: Provide a brief description of your firm's compensation arrangements for senior management including incentives, profit sharing and other bonuses. Describe staff participation in equity ownership. Describe any incentives that are in place to encourage key professionals to remain with the firm.
- k. Affiliates: Detail any financial relationships which exist with affiliates (i.e., parent company, sister, or subsidiaries) or other organizations (e.g., brokerage firms, insurance companies, commercial banks, investment banking firms, money management firms, including mutual funds, soft dollar relationships, etc.). Clearly define the association and indicate how real or perceived conflicts of interest are addressed.
- l. Departures: Provide details on the professional staff that have left during the last three years. Include position/function, date left, reason (voluntary/involuntary) and if position was replaced.
- m. Soft Dollars: Describe under what circumstances/relationships your firm accepts soft dollars as a method of payment for services provided.
- n. Regulatory Issues: State whether your firm or your parent and/or sister companies have unresolved legal issues with regulators. Please explain.

B. Proposer's References (Section B.2)

It is Proposer's sole responsibility to ensure the accuracy of the firm's name and point of contact's name and contact information. The same references may be listed on both Exhibits 2, Prospective Contractor References, and Exhibit 3, Prospective Contractor List of Contracts, in Appendix D, Required Forms.

1. The TTC/PAC may disqualify a Proposer as non-responsive and/or non-responsible if:

- a. references fail to substantiate Proposer's description of the services provided; or
 - b. references fail to support that Proposer has a continuing pattern of providing capable, productive, and skilled personnel; or
 - c. the TTC is unable to reach the point of contact with reasonable effort (i.e., three attempts). It is Proposer's responsibility to inform the point of contact that the TTC may contact Proposer's references during normal working hours (defined as between 8 a.m. and 5 p.m. PT).
2. Proposer must complete and include the following Required Forms Exhibit 2, 3, and 4 as set forth in Appendix D, Required Forms:
- a. Exhibit 2, Prospective Contractor References. Proposer must provide three references only for current or recent clients for whom the Proposer provides the same or similar scope of services to those services set forth in Appendix A, SOW, of this RFP. **The TTC will not accept references for existing contracts/projects with the County/PAC to meet this requirement.**
 - b. Exhibit 3, Prospective Contractor List of Contracts. The listing must include all contracts with public entities, including any existing contracts with the County of Los Angeles, PAC or County-related entities (i.e., LACERA) for the last three years. Use additional sheets if necessary. **If Proposer did not have any contracts with public entities during the last three years, Proposer shall include a statement to that effect.**
 - c. Exhibit 4, Prospective Contractor List of Terminated Contracts. Listing must include contracts terminated within the past three years with a reason for termination. **If Proposer did not have any contracts terminated within the past three years, Proposer shall include a statement to that effect.**

C. Proposer's Pending Litigation and Judgments (Section B.3)

Identify by name, case, and court jurisdiction any pending litigation in which Proposer is involved, enforcement actions by regulators (resulting in fines), or judgments against Proposer in the past five

years. Provide a statement describing the size and scope of any pending or threatening litigation against the Proposer or principals of the Proposer. **If Proposer does not have pending litigation and has not had judgments against Proposer within the last five years, Proposer shall include a statement to that effect.**

D. Proof of Insurability (Section B.4)

Proposer **must** provide proof of insurability that meets insurance requirements set forth in the **Appendix C, Sample Contract, Subparagraphs 8.24 and 8.25**. If a Proposer does not currently have the required coverage, a letter from a qualified insurance carrier indicating a willingness to provide the required coverage should Proposer be selected to receive a Contract Award must be submitted with the proposal.

E. Intentionally Omitted

F. Financial Capability (Section B.6)

Proposers must provide copies of the company's most current and prior two fiscal years (2021, 2020, and 2019) financial statements. **If audited statements are available, these should be submitted to meet this requirement. If audited statements for the three most recent fiscal years are not available, this may result in a lower score in this category during the evaluation process as set forth in Paragraph 8.0, Selection Process and Evaluation Criteria, Subparagraph 8.4.1, E, Financial Capability, of this RFP.** Statements should include the company's assets, liabilities and net worth. At a minimum, include the Balance Sheet (Statement of Financial Positions), Income Statement (Statement of Operations), and the Retained Earnings Statement. Do not submit Income Tax Returns to meet this requirement. Subject to any California Public Records Act requirements, all financial statements stamped, "Confidential" on each page will not be disclosed.

7.8.7 Proposer's Approach to Provide Required Services (Section C)

Provide a detailed description of the methodology the Proposer will use to accomplish Contract and SOW requirements. Proposer shall describe in detail how the services will be performed to meet the intent of Appendix A, SOW.

Identify whether your firm is submitting a proposal for the Horizons Plan, Savings Plan, and/or Pension Savings Plan.

1. Describe in detail how your firm will accomplish the service requirements in Appendix A, SOW, Paragraph 3.0, Scope of Work, including but not limited to the following:

a. Subparagraph 3.1 PAC Meetings (Section C.1)

Describe your approach to prepare the required materials, including presentations, along with a timeline for readiness to comply with the meeting attendance requirements.

b. Subparagraph 3.2 Annual Review and Update of the Stable Fund Investment Policy (Section C.2)

Describe your approach to developing and maintaining the Stable Fund Investment Policy. Provide a sample Statement of Investment Policy.

c. Subparagraph 3.3 Periodic Review of the Stable Fund's Performance and Structure (Section C.3)

Describe your approach to measure the investment managers' performance and timeline on how you will provide the semi-annual/annual reviews and reports for the Plans' Stable Funds. Provide sample report.

d. Subparagraph 3.4 Update on Stable Value Industry (Section C.4)

Describe your approach and process for regularly keeping up-to-date on the stable value industry, identifying issues, and making recommendations to assure that Discretionary Manager is overseeing the Plans' Stable Funds in an optimal manner within the parameters of the Stable Funds' Investment Policy Statement.

e. Subparagraph 3.5 Review of Quarterly Crediting Rates [for Horizons Plan and Savings Plan only] (Section C.5)

Describe your approach and experience in reviewing stable value fund managers' calculations to set a fixed participant crediting rate within the prescribed timeline.

f. Subparagraph 3.6 Stable Fund Advisory Services (Section C.6)

Describe your: approach and process for providing stable value fund advisory services, including legislative, regularly, compliance and administrative issues pertaining to stable

value investment industry; financial and/or economic events that may impact the Plans' stable value investments; capabilities to evaluate other short-term investment funds or cash management programs, written and oral report at PAC meetings including recommended actions for the PACs' consideration; and development of training programs.

g. Subparagraph 3.7 Optional Services (Section C.7)

Describe your approach and willingness to provide additional services at the discretion of the PACs, including manager search to replace the Stable Funds' Discretionary Manager or Cash Manager, review of alternative strategies beyond stable value funds, and assisting in the selection of alternative investment options, including contract negotiations and assistance with participant communications.

h. Subparagraph 3.8 Unanticipated Services (Section C.8)

Describe your willingness and ability to perform services which were not anticipated under this Contract (upon PAC's request). Include other common or related services you provide for other clients, and the firm's resources/experience to provide the services.

2. Describe how your firm's formalized information security program satisfies the requirements of Appendix C, Contract Exhibits, Exhibit K, Information Security and Privacy Requirements. Provide details for who is responsible (e.g., Chief Information Security Officer, Chief Compliance Officer, or Chief Privacy Officer) to lead the program and describe your firm's information security and privacy policies, standards, procedures, processes, and resources involved.

7.8.8 Proposer's Quality Control Plan (Section D)

Present a comprehensive Quality Control Plan to be utilized by the Proposer as a self-monitoring tool to ensure the required services are provided as specified in Appendix A, SOW and Appendix C, Sample Contract.

The Quality Control Plan shall include, but not be limited to, the following:

1. Activities to be monitored to ensure compliance with all Contract requirements;

2. Monitoring methods to be used;
3. Frequency of monitoring;
4. Samples of forms to be used in monitoring;
5. Title/level and qualifications of personnel performing monitoring functions; and
6. Documentation methods of all monitoring results, including any corrective action taken.

7.8.9 Proposer's Business Continuity Plan (Section E)

Present a comprehensive Business Continuity Plan (BCP) for providing continuing services to the PAC, as specified in Appendix A, SOW, and Appendix C, Sample Contract, in the event of an emergency that disrupts the PAC's operations. This may include any disruption to Proposer's operation that impacts the PAC. The Contractor shall provide an updated copy of the BCP to the PAC's Contract Administrator within ten Business Days of the Effective Date and within ten Business Days after changes occur during the Contract Term.

The BCP shall include, at a minimum, the following components:

1. Process for notifying the PAC/TTC immediately of any emergency that disrupts service (i.e. power outages, natural disaster, fire, cyber terrorism, etc.);
2. Timeline for operationalizing the BCP;
3. Description of Contractor's disaster recovery plans and solutions;
4. Address, phone number, and fax number of any alternate site location where Contractor will perform services;
5. Description of production capabilities of any alternate site(s);
6. Description of the Contractor's IT plans and features to ensure the PAC's Information remains accessible and secure;
7. Description of how the Contractor would implement the BCP;
8. Description of how the Contractor will test the BCP and update it accordingly.

7.8.10 Terms and Conditions in Sample Contract, and Requirements of the Statement of Work: Acceptance of/or Exceptions to (Section F)

- A. It is the duty of every Proposer to thoroughly review Appendix C, Sample Contract and Appendix A, SOW to ensure compliance with all terms, conditions and requirements. It is the PAC's expectation that in submitting a proposal, Proposer will accept, as stated, the PAC's terms and conditions in Appendix C, Sample Contract and the PAC's requirements in Appendix A, SOW. However, Proposers are provided the opportunity to take exceptions to the PAC's terms, conditions, and requirements. Each Proposer must utilize the PAC's Appendix C, Sample Contract, and Appendix A, SOW, to take exceptions. Proposers may not utilize their own Contract and/or SOW in lieu of the PAC's Appendix C, Sample Contract and Appendix A, SOW.

- B. Section F of the proposal must include:
 - 1. A statement offering Proposer's acceptance of all, or exceptions to one or more terms and conditions listed in Appendix C, Sample Contract.
 - 2. A statement offering Proposer's acceptance of all, or exceptions to one or more requirements listed in Appendix A, SOW
 - 3. For each exception, Proposer shall provide:
 - a. An explanation of the reason(s) for the exception;
 - b. The proposed alternative language; and
 - c. A description of the impact, if any, to Proposer's price if exception is not granted.

- C. Proposers must clearly identify all of their exceptions to Appendix C, Sample Contract and/or the SOW by providing a 'red-lined' version of the language in question. Proposers must submit all of their exceptions with their proposals by the specified due date. Proposers may not take exception to the Sample Contract's Standard Terms and Conditions in their entirety, and replace the PAC's Standard Terms and Conditions with the Proposer's alternative Sample Contract and/or SOW. The PAC will consider such proposals non-responsive. If Proposer fails to clearly identify and include an exception in its proposal submission, the exception will not be considered after the

proposal submission due date.

The PAC may deduct rating points or disqualify the proposal in its entirety if the exceptions are material enough to deem the proposal non-responsive and not subject to further evaluation. In general, the greater the number of exceptions to the terms and conditions Proposer lists, and the more substantive the exceptions are, the less responsive the proposal will be deemed.

The PAC reserve the right to make changes to the Sample Contract and its Appendices and Exhibits at its sole discretion.

7.8.11 Business Proposal Required Forms (Section G)

The Business Proposal shall include the following completed, signed, and dated forms identified in Appendix D, Required Forms.

- | | |
|------------|--|
| Exhibit 1 | Proposer's Organization Questionnaire/Affidavit |
| Exhibit 1A | Community Business Enterprise (CBE) Information |
| Exhibit 1B | Project Staff Background
Note: At a minimum, Proposer shall submit Project Staff Background forms and resumes for its proposed Contract Administrator, Contract Manager, and Alternate Contract Manager. |
| Exhibit 2 | Prospective Contractor References |
| Exhibit 3 | Prospective Contractor List of Contracts |
| Exhibit 4 | Prospective Contractor List of Terminated Contracts |
| Exhibit 5 | Certification of No Conflict of Interest |
| Exhibit 6 | Familiarity with the County Lobbyist Ordinance Certification |
| Exhibit 7 | Intentionally Omitted |
| Exhibit 8 | Proposer's EEO Certification |
| Exhibit 9 | Attestation of Willingness to Consider GAIN/GROW Participants |
| Exhibit 10 | County of Los Angeles Contractor Employee Jury Service Program Certification Form and Application for Exception |

- Exhibit 11 Intentionally Omitted from Business Proposal
- Exhibit 12 Intentionally Omitted from Business Proposal
- Exhibit 13 Certification of Compliance with the County’s Default Property Tax Reduction Program
- Exhibit 14 Zero Tolerance Policy on Human Trafficking Certification
- Exhibit 15 Compliance with Fair Chance Employment Hiring Practices Certification

7.8.12 Intentionally Omitted

7.8.13 Last Page of Proposal

The last page of the proposal must list names of all joint ventures, partners, Subcontractors or others having any right or interest in the Contract or the proceeds thereof. The page must include the signature of the person authorized to bind the Proposer in a contract, as follows:

Respectfully submitted,
(Signature of Person Authorized to bind Proposer)

(Proposer’s name and address, and names and addresses of joint ventures, partners, Subcontractors or other parties)

By _____
 Title _____
 Date _____
 Address _____
 City _____
 Telephone _____
 Email _____

7.9 Cost Proposal Format

The content and sequence of the Cost Proposal shall be as follows:

1. Cover Page identifying, at a minimum, the RFP and Proposer’s name.
2. Exhibit 11, Pricing Schedule
 - a. In completing Exhibit 11, Pricing Schedule, Proposer shall provide its fee to provide services to for the Horizons Plan only, the Savings Plan only, the Pension savings Plan only, and multiple plans, as follows:

- Single Plan(s): Proposer shall provide the annual flat fees required to complete the services for the Horizons Plan only, the Savings Plan only, and Pension Savings Plan only; and
 - Multiple Plans – Horizons, Savings Plan, and/or Pension Savings Plan: Proposer shall provide the annual flat fees, including any discount offered, required to complete the services for multiple plans (with a cost breakdown by Plan).
- b. The PAC reserves the right to select different Proposers for each Plan or one Proposer for multiple Plans.
- c. In the event fee estimates are not acceptable, the PAC reserves the right to negotiate fees.
3. Exhibit 12, Certificate of Independent Price Determination and Acknowledgment of RFP Restrictions.

7.10 Firm Offer/Withdrawal of Proposal

- 7.10.1** Until the proposal submission deadline, Proposers may correct errors in proposals by a request in writing to withdraw the proposal and by submission of a revised proposal with the mistakes corrected. The TTC/PAC will not accept corrections once the deadline for submission of proposals has passed.
- 7.10.2** All proposals shall be firm offers and may not be withdrawn for a period of 270 days following the last day to submit proposals.

7.11 Proposal Submission

- 7.11.1** Proposals are due by the date and time listed in Subparagraph 7.2, RFP Timetable, of this RFP, and shall be emailed to:

Email Address: contracts@ttc.lacounty.gov

Attn: Rena Kamasawa

- 7.11.2** Proposers shall submit their proposals via Email by following the instructions below. Proposers submitting their proposal via email are not required to mail hard copies of their proposal; however, all other requirements and due dates apply as set forth in Paragraph 7.0, Proposal Submission Requirements, of this RFP.
- 7.11.3** The subject line of the email for the Business and Cost Proposals must state:

**PROPOSAL FOR STABLE FUND CONSULTING SERVICES –
TTC RFP 2022-02 SFCS**

7.11.4 Proposals shall be submitted in a searchable Adobe Portable Document Format (PDF) format as the following four individual documents:

- Business Proposal shall be emailed as one individual searchable PDF document.
- Cost Proposal shall be emailed as one individual searchable PDF document.
- In addition, Proposers shall submit one redacted copy of the Business Proposal and Cost Proposal as individual searchable PDF documents, with all confidential, proprietary and trade secret information redacted. Proposer must specifically redact only those parts of the Business and Cost Proposals that are actual trade secrets, confidential, or proprietary in nature. Blanket or categorical redactions and/or statements of confidentiality, or the marking of every page as “Trade Secret,” “Confidential,” or “Proprietary,” is not acceptable.

The total file size of the email, including all attachments, shall not exceed 35MB.

7.11.5 Late proposals will not be accepted. It is the sole responsibility of the submitting Proposer to ensure that its proposal is received before the submission deadline. Submitting Proposers shall bear all risks associated with delays in submitting the electronic copies of its proposals. Any proposal received after the scheduled closing date and time for receipt of proposals, as listed in Subparagraph 7.2, RFP Timetable, of this RFP, will **not be accepted and will receive a notification that their proposal was not received timely by the timeframe indicated in Subparagraph 7.2 of the solicitation document.**

8.0 SELECTION PROCESS AND EVALUATION CRITERIA

8.1 Selection Process

The PAC reserves the sole right to judge the contents of the proposals submitted pursuant to this RFP and to review, evaluate, and select the successful proposal(s). The selection process will begin with receipt of the proposals on the date indicated in Subparagraph 7.2, RFP Timetable.

Evaluation of the proposals will be made by an Evaluation Committee. The Evaluation Committee will evaluate the proposals and will use the evaluation approach described herein to select prospective Contractor(s) for the Horizons Plan, the Savings Plan, and the Pension Savings Plan. All proposals will be scored and ranked accordingly to their composite scores

from high to low. The Evaluation Committee may utilize the services of appropriate experts to assist in this evaluation.

The TTC/PAC may also, at its option, invite some or all Proposers to make a presentation before the PAC. Subsequent to the PAC presentations, as applicable, the TTC and the prospective Contractor(s) will negotiate a Contract. If a satisfactory Contract cannot be negotiated, the TTC may, at its sole discretion, begin contract negotiations with the next highest scoring Proposer who submitted a proposal, as determined by the TTC/PAC.

The recommendation to award a Contract will not bind the PAC to award a Contract to the prospective Contractor.

Notwithstanding the foregoing, the PAC retains the right to select a proposal other than the proposal receiving the highest score if the PAC or its designee determines, in its sole discretion, another Proposer is the most overall qualified, cost-effective, responsive, responsible and in the best interests of the PAC.

8.2 Adherence to Minimum Mandatory Requirements (Pass/Fail)

The TTC shall review the Proposer's Exhibit 1, Proposer's Organization Questionnaire/Affidavit of Appendix D, Required Forms, and determine if Proposer meets the minimum requirements as outlined in Paragraph 3.0 of this RFP. Failure of Proposer to comply with the minimum requirements may eliminate its proposal from any further consideration. The PAC may elect to waive any informality in a proposal if the sum and substance of the proposal is present.

8.3 Disqualification Review

A proposal may be disqualified from consideration because the TTC determined it was a non-responsive at any time during the review/evaluation process. If the TTC determines that a proposal is disqualified due to non-responsiveness, the TTC shall notify Proposer in writing.

Upon receipt of the written determination of non-responsiveness, Proposer may submit a written request for a Disqualification Review within the timeframe specified in the written determination.

A request for a Disqualification Review may, in the TTC's sole discretion, be denied if the request does not satisfy all of the following criteria:

1. The request for a Disqualification Review is submitted timely (i.e., by the date and time specified in the written determination); and
2. The request for a Disqualification Review asserts that the TTC's determination of disqualification due to non-responsiveness was

erroneous (e.g., factual errors, etc.) and provides factual support on each ground asserted as well as copies of all documents and other material that support the assertions.

The Disqualification Review shall be completed, and the determination shall be provided to the requesting Proposer, in writing, prior to the conclusion of the evaluation process.

Proposer can also be disqualified for Subparagraph 5.8 (Determination of Proposer Responsibility).

8.4 Business Proposal Evaluation and Criteria (85%)

Any reviews conducted during the evaluation of the proposal may result in a point reduction.

8.4.1 Proposer's Qualifications (35%)

A. Proposer's Background and Experience (25%)

Proposer will be evaluated on their assigned personnel's investment consulting services experiences in large DC plans (especially 457 and 401k plans). The firm must have adequate staff, including experienced investment consulting services professionals and technical resources to properly service the Plans. Proposer will be evaluated on their depth and breadth of investment consulting services expertise and capacities within DC plans, including laws and regulations based on information provided in response to Subparagraph 7.8.6, Proposal's Background and Experience (Section B.1), of this RFP.

B. Proposer's References (10%)

Proposer will be evaluated on the verification of the first three references as provided on Exhibit 2, Prospective Contractor References, of the proposal. **Should Proposer provide more than three references, the TTC will evaluate the first three references only.**

In addition to the references provided, an evaluation of Proposer's references review will include the County's Contract Database and Contract Alert Reporting Database, if applicable, reflecting past performance history on County or other contracts. This review may result in point deductions up to 100% of the total points awarded in this evaluation category.

Additionally, a review of terminated contracts will be conducted which may result in point deductions.

C. Pending Litigation

A review will be conducted to determine the significance of any litigation or judgements pending against Proposer as provided in Subparagraph 7.8.6, Proposer's Pending Litigation and Judgement (Section B.3), of the proposal.

D. Proof of Insurability

A review of Proposer's proof of insurability that meets all insurance requirements set forth in Appendix C, Sample Contract, Subparagraphs 8.24 and 8.25 as provided in Subparagraph 7.8.6, Proof of Insurability (Section B.4), of the proposal. If a Proposer does not currently have the required coverage, a letter from a qualified insurance carrier indicating a willingness to provide the required coverage should the Proposer be selected to receive a Contract Award may be submitted with the proposal.

E. Financial Capability

A review will be conducted to evaluate the Proposer's financial capability as provided in Section B.6, Financial Capability, of the proposal.

8.4.2 Proposer's Approach to Provide Required Services (40%)

Proposer will be evaluated on its description of the methodology and schedule of work to perform the required services based on information provided in 7.8.7 Section C, Proposer's Approach to Provide Required Services.

8.4.3 Quality Control Plan (5%)

Proposer will be evaluated on its ability to establish and maintain a complete Quality Control Plan to ensure the requirements of the Contract are provided as specified therein. For the purposes of this RFP, a complete Quality Control Plan includes, but is not necessarily limited to, the information provided in Subparagraph 7.8.8, Proposer's Quality Control Plan (Section D), of this RFP. Evaluation of the Quality Control Plan shall cover the proposed monitoring system of all Services required under the Contract and shall be based on the information provided in Section D of the proposal.

8.4.4 Business Continuity Plan (5%)

Proposer will be evaluated on its ability to provide continuing services to the PAC in the event of an emergency that disrupts Proposer's operations. For the purposes of this RFP, a complete BCP includes, but is not necessarily limited to, the information provided in Subparagraph 7.8.9, Proposer's Business Continuity Plan (Section E), of this RFP. Evaluation of the BCP shall be based on the information provided in Section E of the proposal.

8.4.5 Intentionally Omitted

8.4.6 Exceptions to Terms and Conditions of Sample Contract and/or Requirements of the Statement of Work

Proposer will be evaluated on its willingness to accept the Terms and Conditions outlined in Appendix C, Sample Contract, and the Requirements of Appendix A, SOW, as stated in Subparagraph 7.8.10, Terms and Conditions in Sample Contract, and Requirements of the Statement of Work: Acceptance of/or Exceptions to (Section F), of the proposal. All exceptions, if any, to the Terms and Conditions and SOW will be evaluated together with reasons, proposed alternative language, and impact, if any, on Proposer's price. The PAC may deduct points or disqualify the proposal in its entirety if the exceptions are material enough to deem the proposal non-responsive.

Proposers are further notified that the PAC may, in its sole determination, disqualify any Proposer with whom the PAC cannot satisfactorily negotiate a Contract.

Any Proposer's exceptions submitted after the proposal deadline shall not be considered. **Proposers that do not make exceptions prior to the proposal deadline waive their right to make any exceptions subsequent to the proposal deadline.**

8.5 Cost Proposal Evaluation Criteria (15%)

The maximum number of possible points will be awarded to the lowest cost proposal. All other proposals will be compared to the lowest cost and points awarded accordingly.

8.6 Intentionally Omitted

8.7 Proposed Contractor Selection Review

8.7.1 Debriefing Process

Upon PAC's approval, and prior to entering negotiations with the selected Proposer(s), the TTC shall notify the remaining Proposers in writing that the PAC is entering negotiations with another Proposer. Upon receipt of the letter, any non-selected Proposer may submit a written request for a debriefing within the timeframe specified in the letter. A request for a debriefing may, in the TTC's sole discretion, be denied if the request is not received within the specified timeframe.

The purpose of the debriefing is to compare the requesting Proposer's response to the solicitation document with the evaluation document. The requesting Proposer shall be debriefed only on its response. Because contract negotiations are not yet complete, responses from other Proposers shall not be discussed, although the TTC may inform the requesting Proposer of its relative ranking.

During or following the debriefing, the TTC will instruct the requesting Proposer of the manner and timeframe in which the requesting Proposer must notify the TTC of its intent to request a Proposed Contractor Selection Review (see Subparagraph 8.7.2 below), if the requesting Proposer is not satisfied with the results of the debriefing.

8.7.2 Proposed Contractor Selection Review

Any Proposer that has timely submitted a notice of its intent to request a Proposed Contractor Selection Review as described in this Subparagraph may submit a written request for a Proposed Contractor Selection Review, in the manner and timeframe as shall be specified by the TTC.

A request for a Proposed Contractor Selection Review may, in the TTC's sole discretion, be denied if the request does not satisfy all of the following criteria:

1. The request for a Proposed Contractor Selection Review is submitted timely (i.e., by the date and time specified by the TTC);
2. The person or entity requesting a Proposed Contractor Selection Review asserts in appropriate detail with factual reasons one or more of the following grounds for review:
 - a. The TTC materially failed to follow procedures specified in its solicitation document. This includes:
 - i. Failure to correctly apply the standards for reviewing the proposal format requirements.

- ii. Failure to correctly apply the standards and/or follow the prescribed methods for evaluating the proposals as specified in the solicitation document.
 - iii. Use of evaluation criteria that were different from the evaluation criteria disclosed in the solicitation document.
 - b. The TTC made identifiable mathematical or other errors in evaluating proposals, resulting in Proposer receiving an incorrect score and not being selected as the recommended contractor.
 - c. A member of the Evaluation Committee demonstrated bias in the conduct of the evaluation.
 - d. Another basis for review as provided by state or federal law; and
3. The request for a Proposed Contractor Selection Review sets forth sufficient detail to demonstrate that, but for the TTC's alleged failure, Proposer would have been the lowest cost, responsive and responsible bid or the highest-scored proposal, as the case may be.

Upon completing the Proposed Contractor Selection Review, the TTC representative shall issue a written decision to the Proposer within a reasonable time following receipt of the request for a Proposed Contractor Selection Review, and always before the date the Contract is to be awarded by the PAC. The written decision shall additionally instruct the Proposer of the manner and timeframe for requesting a County Independent Review. See Subparagraph 8.8, County Independent Review Process, below.

8.8 County Independent Review Process

Any Proposer that is not satisfied with the results of the Proposed Contractor Selection Review may submit a written request for a County Independent Review in the manner and timeframe specified by the TTC in the TTC's written decision regarding the Proposed Contractor Selection Review.

A request for the County Independent Review may, in the County's sole discretion, be denied if the request does not satisfy all of the following criteria:

1. The request for a County Independent Review is submitted timely (i.e., by the date and time specified by TTC); and

2. The person or entity requesting review by a County Independent Review has limited the request to items raised in the Proposed Contractor Selection Review as listed in Subparagraph 8.7.2, Proposed Contractor Selection Review, above.

Upon completion of the County Independent Review, Internal Services Department will forward its report to the TTC, which will provide a copy to the Proposer.

**APPENDIX A
RFP**

STATEMENT OF WORK

**STABLE FUND CONSULTING SERVICES
FOR DEFERRED COMPENSATION AND
THRIFT PLAN**

**[SAVINGS AND PENSION SAVINGS PLAN STATEMENT OF
WORK TO BE SUBSTANTIALLY SIMILAR]**

**APPENDIX A
STATEMENT OF WORK
STABLE FUND CONSULTING SERVICES**

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APPENDIX A
STATEMENT OF WORK
STABLE FUND CONSULTING SERVICES

APPENDIX B1: STATEMENT OF WORK ATTACHMENTS

Attachment 1:

STABLE INCOME INVESTMENT POLICY STATEMENT *[for Horizons Plan] or*

STABLE VALUE INVESTMENT POLICY STATEMENT *[for Savings Plan] or*

STABLE ASSET INVESTMENT POLICY STATEMENT *[for Pension Savings Plan]*

Attachment 2:

STABLE INCOME FUND DISCRETIONARY AND INVESTMENT MANAGERS
[for Horizons Plan] or

STABLE VALUE FUND DISCRETIONARY AND INVESTMENT MANAGERS
[for Savings Plan] or

STABLE ASSET FUND DISCRETIONARY AND INVESTMENT MANAGERS
[for Pension Savings Plan]

APPENDIX B2: STATEMENT OF WORK AND CONTRACT EXHIBITS

Exhibit 1 – CONTRACT DISCREPANCY REPORT

Exhibit 2 – PERFORMANCE REQUIREMENTS SUMMARY CHART

1.0 INTRODUCTION

The County of Los Angeles (County) Board of Supervisors has delegated authority to the County's Deferred Compensation and Thrift Plan (Plan) Administrative Committee (PAC) to make investment decisions concerning the Plan.

2.0 DEFINITIONS

The headings herein contained are for convenience and reference only and are not intended to define the scope of any provision thereof. The following words as used herein shall be construed to have the following meaning, unless otherwise apparent from the context in which they are used.

- 2.1 Cash Manager:** The entity that manages the cash component of the Stable Fund.
- 2.2 Contract Discrepancy Report:** A document utilized by PAC staff to record discrepancies or problems with Contractor's performance and record explanations of unsatisfactory performance.
- 2.3 Discretionary Manager:** The entity that manages, invests, transitions, and oversees the Stable Fund investments in the sub-advised funds.
- 2.4 Performance Requirements Summary (PRS) Chart:** Identifies the key performance indicators of the Contract that the TTC will evaluate to assure the Contractor meets performance standards, as specified in this Contract and SOW.
- 2.5 Quality Control Plan:** All necessary measures taken by the Contractor to ensure that the quality of service shall meet the Contract requirements regarding timelines, security, accuracy, appearance, completeness, consistency, and conformity to the requirements set forth in this Exhibit A, SOW.
- 2.6 Stable Fund:** The Stable Income Fund, which is a stable value investment option in the Plan.
- 2.7 Statement of Work (SOW):** A written description of tasks, deliverables, and/or other work required by the PAC pursuant to this Contract.
- 2.8 Sub-advised fund:** An underlying fund of the Stable Fund.

3.0 SCOPE OF WORK

Contractor shall provide all of the work detailed herein this Paragraph 3.0, Scope of Work, pursuant to the terms of the Sample Contract, including the Pricing Schedule, and execute services in accordance with all applicable laws and regulations, including but not limited to the most current tax and securities laws and regulations, to assist the PAC in making prudent investment-related decisions. Pursuant to the terms of the Contract, Contractor shall assume fiduciary responsibility for the Plan with respect to all advice provided to the Plan.

3.1 PAC Meetings

PAC staff will advise Contractor of the date, time, and location of the PAC meetings at the beginning of each calendar year. Contractor shall be required to attend PAC meetings as requested by the PAC to present updates to the Investment Policy Statement described in Subparagraph 3.2 and to present periodic review described in Subparagraph 3.3. Contractor shall provide electronic copies of reports and other materials in advance of the PAC meetings and may also be required to provide hard copies of reports. PAC may also require Contractor to attend other meetings in furtherance of the services described in this SOW.

3.2 Annual Review and Update of the Stable Fund Investment Policy

Contractor shall coordinate with PAC staff on an annual update of the Plan's Stable Fund Investment Policy Statement, as necessary. All changes pertaining to the Stable Fund that are approved by the PAC during the year shall be incorporated during the annual policy update. Contractor shall present all changes to the Stable Fund Investment Policy Statement to the PAC during PAC meetings as determined by PAC staff (refer to Attachment 1).

3.3 Periodic Review of the Stable Fund's Performance and Structure

The Contractor shall provide the PAC with a written and oral report at a PAC meeting of the Stable Fund's compliance with the Stable Fund Investment Policy Statement on a semi-annual basis for the periods ending June 30 and December 31 [*on an annual basis for the period ending June 30 for the Pension Savings Plan*], which shall be in compliance with the Investment Management Consultants Association's Performance Reporting Standards and Association for Investment Management and Research Standards. Such report shall include, but not be limited to, the following:

1. Executive summary detailing the current constraints and opportunities within the Stable Fund and the industry at large, and how current and

pending legislative issues would affect the Stable Fund and the industry.

2. Stable value market overview.
3. Stable Fund's objectives and current investment constraints.
4. Detailed statement of the Stable Fund's assets.
5. Evaluation and assessment of the Discretionary Manager's strength, stability and viability.
6. Identification and analysis of changes in the Discretionary Manager's and sub-advised management firms' organization, governance, fund management style, and personnel, including changes in fund investment guidelines. Analysis will include any recommendation for monitoring or replacement of the Discretionary Manager.
7. Identification of and advice on any Securities and Exchange Commission or other regulatory agency investigation or probe into the Discretionary Manager's firm or sub-advised management firms associated with the Stable Funds.
8. Comparison of Stable Fund's latest six-month, one-year, three-year, five-year, and since inception performance (net of fees) against the appropriate benchmark(s) and performance attributions.
9. Comparison of each underlying sub-advised fund's six-month, one-year, three-year, five-year, and since inception performance (net of fees) against the appropriate benchmark(s) and performance attributions.
10. Ranking of each underlying sub-advised fund's six-month, one-year, three-year, five-year, and since inception performance against peer funds.
11. Identification and analysis of the gross and net yield of the Stable Fund's assets.
12. Identification and analysis of the Stable Fund's duration.
13. Identification and analysis of the fee components and overall Stable Fund fee.
14. Analysis and commentary on the Stable Fund's asset changes with regard to market value and book value, and the variance between market to book.

15. Compliance with the constraints in the Stable Fund Investment Policy Statement.

Any recommendations from the Contractor or Discretionary Manager that are approved by the PAC as a result of the periodic reviews shall be incorporated as appropriate into the Stable Fund Investment Policy Statement described in Subparagraph 3.2.

3.4 Update on Stable Value Industry

Contractor shall regularly research, analyze and evaluate the stable value industry and identify issues to assure that the Discretionary Manager is overseeing the Stable Fund in an optimal manner within the parameters established by the Stable Fund Investment Policy Statement. Analysis shall incorporate the impact of such developments to the Plan's Stable Fund and the effects on the long-term value of Stable Fund's holdings. Contractor shall make recommendations as appropriate to enhance the structure, investments, and operations of the Stable Fund.

3.5 Review of Quarterly Crediting Rates *[not applicable for Pension Savings Plan]*

The Plan sets a fixed participant crediting rate for the Stable Fund at the beginning of each quarter. The Discretionary Manager will analyze and provide a calculation for the crediting rate approximately one week prior to the new quarter. Contractor shall review the calculation for accuracy and appropriateness of the Stable Fund's quarterly crediting rate process and the rate itself, net of all manager and program expenses. Contractor shall contact the Discretionary Manager directly to resolve any questions and provide their approval of the rates timely before the beginning of the quarter in which the rate will go into effect.

3.6 Stable Fund Advisory Services

Upon PAC's request, which may be in addition to the periodic reviews provided for in Subparagraph 3.3, Contractor shall provide advisory services, including but not limited to:

- Legislative, regulatory, compliance and administrative issues pertaining to the stable value investment industry.
- Financial and/or economic events that may impact the Plan and the Plan's stable value investments.
- Written and/or oral report at a PAC meeting, including recommended actions for the PAC's consideration.

- Development of a training program for PAC members and County staff on the need and benefits of stable value funds and education on the current stable value industry and other related topics.

3.7 Optional Services

Upon PAC's request, Contractor shall provide investment advisory services, including but not limited to:

3.7.1 Search to Replace Discretionary Manager or Cash Manager

A manager search to replace the Discretionary Manager or Cash Manager currently servicing the Plan. If a single joint search is conducted for multiple plans (Deferred Compensation and Thrift, Savings, and/or Pension Savings Plan), Contractor costs for the single search will be shared among the plans on a pro rata basis based on each plan's asset level. Contractor shall, upon PAC's request, assist in the selection of the manager, including contract negotiations and assistance with participant communications of any manager changes.

3.7.2 Review of Alternative Investment Strategies and Report *[for Pension Savings Plan only]*

A review of alternative investment strategies beyond Stable Fund and provide a written and oral report at a PAC meeting, including recommended actions for the PAC's consideration.

3.7.3 Investment Manager Search and Selection Arising Out of Optional Services #2 *[for Pension Savings Plan only]*

If PAC requests a review of alternative investment strategy(ies) and Contractor recommends alternative investment strategy(ies), Contractor shall, upon PAC's request, conduct the related manager search(es) and provide assistance in the selection of alternative investment option(s), including contract negotiations and assistance with participant communications of any investment management additions/changes.

3.8 Unanticipated Services

Upon PAC's request, Contractor may be required to perform services which were unanticipated and not set forth in Subparagraphs 3.1 to 3.7 above. Such unanticipated services shall follow the guidance as set forth in Appendix C, Sample Contract, Subparagraph 5.7.

4.0 QUALITY CONTROL PLAN

Contractor shall establish and maintain a comprehensive Quality Control Plan (QCP) to ensure Contractor meets the requirements of the Contract and provides a consistently high level of service throughout the Contract Term. The QCP shall be submitted to the PAC's Contract Administrator within ten business days following the start date of this Contract and as changes occur during the Contract Term or upon request. Contractor shall review its QCP annually and update as changes occur.

At a minimum, the QCP shall include the following:

- 4.1** The method of monitoring to ensure that all Contract requirements are being met. It must specify the activities Contractor will monitor, including activities monitored on either a scheduled or an unscheduled basis; how often the monitoring will be performed; and the title of the individual(s) who will perform the monitoring;
- 4.2** The methods used by Contractor to identify and prevent deficiencies in the quality of service performed before the level of performance becomes unacceptable and not in compliance with this Contract;
- 4.3** A record of all inspections conducted by Contractor, any corrective action taken, the date a problem was first identified, a clear description of the problem, and the time elapsed between identification and completed corrective action, which shall be provided to the PAC upon request; and
- 4.4** The method for ensuring Contractor maintains confidentiality.

5.0 BUSINESS CONTINUITY PLAN

Contractor shall provide a written Business Continuity Plan (BCP) for providing continuing services to the PAC in the event of an emergency that disrupts Contractor's operations. Contractor must provide an updated copy of the BCP to the PAC's Contract Administrator within ten business days of this Contract start date and within ten business days when changes occur during the Contract Term. The BCP shall include, at a minimum, the following components:

- 5.1** The process for notifying the PAC immediately of any emergency that disrupts service (i.e., power outages, natural disaster, fire, cyber terrorism, health hazard, etc.);
- 5.2** Timeline for operationalizing the BCP;
- 5.3** Description of Contractor's disaster recovery plans and solutions;

- 5.4 Address, phone number, and fax number of any alternate site(s) where Contractor will perform services;
- 5.5 Description of the production capabilities at any alternate site(s);
- 5.6 Description of Contractor's Information Technology (IT) plans and features to ensure the County/PAC's information remains accessible and secure;
- 5.7 Description of how Contractor would implement the BCP; and,
- 5.8 Description of how Contractor will test the BCP on an annual basis and update it accordingly.

6.0 QUALITY ASSURANCE PLAN

The PAC will evaluate Contractor's performance under this Contract using the quality assurance procedures as defined in this Contract.

6.1 PAC Meetings

Contractor is required to attend any scheduled meeting described in Subparagraph 3.1 as agreed upon by the PAC and Contractor. The PAC may in its sole discretion consider Contractor's failure to appear and present without providing acceptable reason(s) and/or making acceptable alternative arrangement(s) at one or more PAC meetings to be a material breach of the Contract. Failure to attend may also result in an assessment as set forth in the PRS. The PAC will notify Contractor in writing of the assessment and will deduct the assessment from payment to Contractor.

6.2 Contract Discrepancy Report

The PAC will determine whether a formal Contract Discrepancy Report (CDR), Appendix B2, SOW Attachment, Exhibit 1, is issued to Contractor. Upon receipt of this document, Contractor shall respond in writing to the PAC within three business days, acknowledging the reported discrepancies or presenting contrary evidence. The PAC will evaluate the evidence presented and determine whether the discrepancy is valid. Contractor shall submit a plan for correction of all deficiencies identified in the CDR to the PAC within five business days and resolve discrepancies within a time period mutually agreed upon by the PAC and Contractor.

6.3 Contractor Complaint Log

Contractor shall maintain a log of all complaints received from the PAC or the public related to services provided under this Contract. Contractor

shall immediately investigate all complaints and provide a written report to the PAC regarding the disposition of each complaint within five business days of receiving the complaint. Each Report shall include a summary of the complaint, name of Contractor's employee(s) involved, results of Contractor's investigation, and a statement regarding the corrective action taken to avoid or mitigate the recurrence of such a complaint.

The PAC retains the right to terminate this Contract if Contractor does not take any action to said complaint(s).

7.0 PERFORMANCE REQUIREMENTS SUMMARY (PRS)

7.1 The PRS Chart in Appendix B2, SOW Attachment, Exhibit 2, lists required services, indicates the method of monitoring specific services, and indicates the liquidated damages to be assessed for non-compliance.

7.2 All listings of services used in the PRS Chart are intended to be completely consistent with this Contract and are not meant in any case to create, extend, revise, expand, or limit any obligation of Contractor beyond that defined in this Contract. In any case of apparent inconsistency between services as stated in this Contract, the meaning apparent in this Contract will prevail. If any service or deliverable seems to be created in the PRS Chart, which is not clearly and forthrightly set forth in this Contract, that apparent service will be null and void and shall place no requirement on Contractor.

8.0 INFORMATION SECURITY AND PRIVACY REQUIREMENTS

Contractor shall adhere to physical and/or computer security safeguards as identified in Appendix C, Sample Contract, Exhibit K, Information Security and Privacy Requirements.

**APPENDIX B1
RFP**

STATEMENT OF WORK ATTACHMENTS

**STABLE FUND CONSULTING SERVICES
FOR DEFERRED COMPENSATION AND
THRIFT PLAN**

**[SAVINGS AND PENSION SAVINGS PLAN STATEMENT OF
WORK TO BE SUBSTANTIALLY SIMILAR]**

STATEMENT OF WORK ATTACHMENTS

Attachment 1:

STABLE INCOME INVESTMENT POLICY STATEMENT *[for Horizons Plan]*
or

STABLE VALUE INVESTMENT POLICY STATEMENT *[for Savings Plan]* *or*

STABLE ASSET INVESTMENT POLICY STATEMENT *[for Pension Savings Plan]*

Attachment 2:

STABLE INCOME FUND DISCRETIONARY AND INVESTMENT
MANAGERS *[for Horizons Plan]* *or*

STABLE VALUE FUND DISCRETIONARY AND INVESTMENT MANAGERS
[for Savings Plan] *or*

STABLE ASSET FUND DISCRETIONARY AND INVESTMENT MANAGERS
[for Pension Savings Plan]

APPENDIX B1 - STATEMENT OF WORK ATTACHMENTS

ATTACHMENT 1

County of Los Angeles

**Deferred Compensation and
Thrift Plan (the Horizons Plan)**

Statement of Investment Policy

Adopted October 2021

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**COUNTY OF LOS ANGELES
DEFERRED COMPENSATION AND THRIFT PLAN
STATEMENT OF INVESTMENT POLICY**

1. INTRODUCTION

This investment policy has been developed by the Plan Administrative Committee (PAC) of the County of Los Angeles Deferred Compensation and Thrift Plan (the “Horizons Plan”). The actions of the PAC are governed by the terms of the Horizons Plan Document, Government Code Section 53213.5(b) and relevant sections of California Probate Code Section 16047(b).

While neither the Horizons Plan nor the PAC are covered by the Employee Retirement Income Security Act of 1974 (“ERISA”), ERISA does provide a comprehensive set of standards for those in the private sector acting in a similar capacity. Interpretations of ERISA state that maintaining a written and comprehensive investment policy is consistent with fulfilling fiduciary duties. The PAC will, therefore, look to ERISA standards for guidance, in addition to the governing state laws.

The PAC oversees and administers the Horizons Plan. The PAC developed this statement for the purpose of formalizing general investment guidelines for use in overseeing the selection, maintenance, reporting and removal of investment options under the Plan. This policy document records the conclusions reached by the PAC, after considerable care, to arrive at the most suitable combination of offered options in terms of expected risk and expected return. The intent of this policy is to facilitate the prudent management of the Plan’s investment options. The purpose of this investment policy is to:

- Provide written guidelines for the PAC, investment consultant, and investment managers concerning the selection and design of investment options offered under the Horizons Plan.
- Describe the various investment options and their risk/return profiles.
- Outline the criteria and processes for the ongoing evaluation of the investment options and managers, and the documentation of such monitoring.
- Communicate pertinent information to investment managers, investment consultants, employees, participants and other interested parties.

The PAC will review this policy document annually for the purpose of assessing the need for any changes thereto. In addition, this policy may be amended from time to time by the PAC due to changing employee needs and market conditions or upon consideration of advice and recommendations from retained professionals such as

investment consultants, attorneys, investment managers, etc. Any changes will be communicated to participants, investment managers, and others as appropriate.

2. PURPOSE OF THE PLAN

As a result of collective bargaining between the County of Los Angeles (“County”) and employee unions, the County created the Horizons Plan to establish a way for employees to accumulate and invest deferred compensation for retirement income and death benefits on a tax deferred basis.

The PAC shall be responsible for the administration of the Plan, including but not limited to the preparation and delivery to the Board, Participants, Beneficiaries and governmental agencies of all information, descriptions and reports required by applicable law, except to the extent responsibility for administration of the Plan is expressly assigned to another person under the terms of the Plan or the Trust Agreement.

The PAC’s goal is to provide County employees with the ability to invest pre-tax income in a broad range of investment options with diverse risk and return characteristics when establishing their retirement savings portfolios.

3. INVESTMENT OBJECTIVES OF THE PLAN

It is necessary to recognize the important impact of rate of return to the accumulation of capital and that in the long run, high returns have been historically accompanied by high risk (volatility of returns) levels. It is also necessary to recognize that participants have different objective needs and levels of risk tolerance. An important objective of the Plan is to offer a range of options so participants are able to construct portfolios that are diversified by broad asset classes and by investment style within asset classes.

The Horizons Plan is a voluntary long-term savings plan for the accumulation of retirement savings. Participants bear the risk and benefit from the rewards of investment returns that result from both the options offered and the combination of options, which they select. Investment direction of employee and vested matching contributions are the responsibility of participants. Although the PAC selects and monitors the options that are being made available, participants are responsible for deciding which of the available choices are the most appropriate for their retirement savings needs.

Unallocated accounts and reserves are invested by the PAC in existing investment options, as recommended by the County Treasurer. Currently these monies are invested in the Stable Income Fund.

The PAC recognizes that the various time horizons of Plan participants require that investment options possess the return and risk characteristics necessary for the achievement of participant needs.

It is the policy of the PAC to offer participants a reasonable range of investment choices for their accounts. These choices are on the long term, historical risk/return spectrum from lower return/lower risk to higher return/higher risk. The PAC recognizes that there is the possibility of the overall portfolio characteristics of the offered options changing over time and such changes could be due to investment style, absolute asset size of portfolios, changes with the portfolio management team and/or investment management organization. In addition, the PAC will review the overall costs of the investments and administration. If such changes operate to the detriment of plan participants, by policy, the PAC will entertain the possibility of replacing such portfolio and/or investment option.

The PAC intends to provide participants a minimum of three broad risk/return categories:

- **Lower Risk Category** The objective of the fund(s) offered in this category is to provide current income, with capital preservation. Capital appreciation is not an objective of this investment category. Funds offered should have low probability of risk to capital.
- **Moderate Risk Category** The objective of the fund(s) offered in this category may range from primarily providing income plus capital appreciation to primarily providing long-term capital appreciation plus current income. Funds in this category can range from conservatively managed funds primarily invested in fixed income instruments providing income consistent with long term preservation of capital to funds managed more aggressively with a blend of fixed income and equity investments.
- **Higher Risk Category** The objective of the fund(s) offered in this category is to provide capital appreciation. Income may be a secondary objective. Funds in this category may invest primarily in a portfolio of common stocks.

The PAC will select certain funds for each category by using processes which exemplify prudent fiduciary standards. These standards will include the consideration of the investment approach of the fund manager, as well as the fund's historical performance, and volatility. The performance will be compared to appropriate indices and benchmarks. The impact of fees and expenses on the net return to Horizons Plan participants will also be evaluated.

The investment asset classes approved by the PAC are:

- Capital Preservation
- Bond/Fixed Income
- Inflation Protection
- Balanced/Target Date
- Large Capitalization Domestic Equity
- International Equity
- Mid Capitalization Domestic Equity
- Small Capitalization Domestic Equity

The current investment options offered in these asset classes are listed in the Appendix attached hereto. The approved asset classes as well as the options offered in each class may be changed from time to time at the PAC's discretion.

The PAC has approved the addition of a new Target Date Fund every five years. Each new Target Date Fund will follow the glide path of the existing Target Date Funds. The glide path of the maturing fund is designed to continue to change for ten years past the retirement date and at that point, it will be merged into the Retirement Income Fund.

In an effort to provide further investment flexibility, a self-directed brokerage option is offered in the Plan. The Plan's self-directed brokerage option allows participants to invest in any publicly-traded security, including stocks, bonds and mutual funds, with the following exceptions: tax-exempt mutual funds and tax-exempt fixed income securities, short sales, futures, options, limited partnerships, currency trading and trading on margin. In developing and maintaining the Plan's self-directed brokerage option, the PAC will evaluate the window provider for reasonable cost, fund availability, and competitive service capability. There will be periodic reviews to confirm competitiveness.

- \$25,000 core balance required for enrollment and to continue within the self-directed brokerage option.
- \$1,000 minimum for all transfers into the self-directed brokerage option.
- Permitted Investments:
 - Taxable mutual funds
 - Listed securities (NYSE, AMEX, NASDAQ)
 - Taxable fixed income securities
 - Treasuries

4. ROLES AND RESPONSIBILITIES

The following is a summary overview of the roles and responsibilities of the Plan's administrator and service providers. The descriptions below are not intended to be exhaustive, and the actual responsibilities of the parties are set forth in the Plan ordinance, trust agreement and applicable contracts. In fulfilling their responsibilities, the parties below may act in a fiduciary capacity as reflected in the Plan ordinance, trust agreement or applicable contract(s), or to the extent that they otherwise exercise authority or control over the management or disposition of Plan assets, provide advice regarding the investment of Plan assets or exercise discretionary authority or control over Plan administration or management.

Plan Administrative Committee

The PAC is the designated fiduciary for the Plan and its primary investment-related responsibilities include the following: (i) preparing and maintaining this policy statement, (ii) prudently selecting, monitoring and removing/replacing investment managers and investment options as needed to provide participants with a sufficiently diverse

investment menu, (iii) prudently selecting, monitoring and removing/replacing other service providers, including but not limited to the custodian bank and investment consultant, (iv) controlling and accounting for all investment, record keeping and administrative expenses associated with the Plan, (v) investing assets not otherwise directed by Plan participants, (vi) overseeing proxy voting. The PAC also has the authority to amend the language contained in this policy statement as needed.

As a Plan fiduciary, the PAC must comply with the fiduciary duties imposed under the common law of trusts, as informed by best practices¹ under the Employee Retirement Income Security Act of 1974 (ERISA), and the “exclusive benefit” rule under the Internal Revenue Code.

The PAC's fiduciary duties are of loyalty, prudence, and diversification. First, loyalty requires acting solely in the interests of Plan participants and beneficiaries, not prioritizing unrelated objectives. Second, prudence requires engaging in an adequate process, considering the relevant facts and circumstances, on which it bases a prudent decision. Third, diversification requires investing in a manner to protect against large losses and maximize risk-adjusted returns. Investment managers hired by the PAC to manage separate investment accounts are likewise subject to these fiduciary obligations regarding the Plan assets they manage.

Similarly, to retain the Plan's tax-favored status, the Internal Revenue Code requires that Plan assets be used for the exclusive benefit of participants and beneficiaries. The Internal Revenue Service has concluded that social investing that does not further the financial interests of Plan participants can violate this requirement.

Additionally, the California Constitution prohibits discrimination against, or granting preferential treatment to, any individual or group based on race, sex, color, ethnicity, or national origin, in the operation of public contracting. Consequently, the PACs cannot hire investment managers in such a manner as to violate this state law prohibition. Data collection on these characteristics, however, is permitted for statistical purposes, provided that the information is not used to grant preferential treatment to, or discriminate against, an individual or group.

In short, the primary focus of the PAC (and the investment managers hired by the PAC to invest Plan assets) must be on the financial benefits to Plan participants and beneficiaries balanced with an appropriate level of risk. The PAC (and investment managers) may not use Plan assets to promote non-financial (e.g.: political, environmental, social, issues involving corporate responsibility) considerations at the expense of the financial interests of the Plan's participants and beneficiaries. Accepting

¹ The PAC follows fiduciary guidance under ERISA as best practice when managing the Plans and making investment-related decisions. While the Plan is not subject to ERISA, ERISA is derived from the common law of trusts and modern investment theory, and, thus, provides relevant guidance on application of fiduciary principles. The Internal Revenue Code's “exclusive benefit” rule applicable to the Plans further informs these fiduciary standards.

lower returns or greater risks to promote non-financial considerations violates fiduciary duty.

Investment Consultant

The PAC may select an Investment Consultant (the “Consultant”) to the Plan. The Consultant will be a registered investment advisor under the Investment Advisors’ Act of 1940. The Consultant’s responsibilities include the following:

- Assisting the PAC with maintaining the policy objectives and guidelines;
- Providing recommendations on the investment managers and investment options;
- Providing assistance in manager fund searches and selection, and with investment performance evaluation;
- Providing timely information, written and/or oral, on investment options, managers, and other related issues, as requested by the PAC;
- Meeting with the PAC and reviewing the performance of the Plan’s investment options; and
- Assisting in the selection, monitoring, removing and replacing of a diverse selection of investment options suitable for the Plan’s demographics.

Recordkeeper

The County of Los Angeles Board of Supervisors selects the recordkeeper to the Plan. The recordkeeper is responsible for maintaining and updating individual account balances as well as information regarding plan contributions, withdrawals and distributions. The recordkeeper’s responsibilities include, but are not limited to, the following:

- Processing participant contributions, redemptions and exchanges;
- Processing distribution, transfers and rollover requests;
- Processing loan requests and defaults, and performing loan recordkeeping services;
- Performing Plan and participant level accounting and reconciliations;
- Reconciling and processing in-service and hardship withdrawals;
- Providing participants with quarterly statements of their accounts;
- Coordinating with mutual fund providers selected by the PAC on the collection of revenue sharing and forwarding that revenue sharing amount to the custodian for reinvestment back to participants invested in the mutual fund; and
- Periodically reporting to the PAC.

The recordkeeper may not accept any form of compensation from the investment managers in relationship to the Plan.

Investment Managers

The PAC with assistance from the Investment Consultant selects the Investment Managers. The Investment Managers shall be delegated the responsibility of investing and managing the Plan assets in accordance with the investment policy statement and all applicable laws. Each Investment Manager hired by the Plan must be qualified based on one or more of the following:

- Manages an investment company registered under the Investment Company Act of 1940;
- Registered under the Investment Advisors Act of 1940;
- A bank, as defined in the Investment Advisors Act of 1940;
- An insurance company qualified under the laws of more than one state to perform the services of managing, acquiring or disposing of Plan assets; or
- Such other person or organization authorized by applicable law or regulation to function as an Investment Manager.

Directed Trustee/Custodian

The Directed Trustee/Custodian is responsible for the safekeeping of the Plan's assets and will act in a fiduciary capacity. The Directed Trustee/Custodian's specific duties and responsibilities are to:

- Hold the Plan's assets in trust;
- Value the holdings;
- Collect all income and dividends owed to the Plan;
- Settle all transactions;
- Calculate a daily NAV for the core investment options and the target date portfolios;
- Provide periodic reports that detail financial transactions and valuations; and
- Rebalance blended funds.

Transition Manager

The PAC with assistance from the Investment Consultant assembles an approved list of transition managers for use in the event of a transition from one portfolio manager to the next. Staff with assistance from the Investment Consultant will review pre-trade bids and select a transition manager on a project-by-project basis. Each Transition Manager used for a specific transition will provide the following:

- A pre-trade bid analysis outlining total transaction costs including commissions and market impact, benchmarks for assessing the success of the transition, a performance guarantee and investment restrictions (if any);
- A post-trade report that summarizes the activities and results of the transition including amount of trade proceeds, a breakdown of assets traded along with specification as to if the trade was internally or externally crossed or traded on the open market and costs. The report will also include a comparison of the pre-trade bid and the post-trading results; and
- Analysis associated with the performance guarantee.

5. CRITERIA FOR SELECTING INVESTMENT MANAGERS

Investment options will include asset classes and risk/reward levels representing the three core categories. The PAC intends to offer at least one fund selection within each of the three core categories. The investment vehicles for any of the investment options may be a separately managed account, a pooled or commingled account, a mutual fund, or a combination of investment vehicles as determined for each fund by the PAC. The selection criteria set forth below will also be applied to all portfolios utilized within

the pre-assembled offerings. The PAC has prudently constructed each of the target date funds based upon the expected return and risk characteristics of asset classes to be represented within each portfolio. Periodically, the PAC will evaluate the number and type of core investment offerings. From time-to-time, the PAC will review the glidepath and composition of the target date funds. The PAC may retain an outside consultant or advisor to provide assistance with the evaluation of potential investment management organizations.

The PAC will select investment managers for each category by using processes which exemplify prudent fiduciary standards. When making fund selections and or changes to the structure of the target date funds, the PAC will take the following into consideration:

- I. Portfolio Management/Expenses/Administrative Feasibility
 - A. Portfolios that are well diversified, prudently managed, and offer reasonable opportunities for appreciation in value or earnings.
 - B. Portfolios with reasonable and competitive investment management fees and/or expense ratios that are comparable to other institutional investor portfolios.
 - C. Portfolios that adhere to the style and philosophy presented by the investment manager.
 - D. Administrative feasibility and costs to participants including, but not limited to, trading implications, capacity issues, etc.

- II. Performance
 - A. Portfolios that have a record of performing near or above the relevant published market indices (Standard & Poor's 500 Index, Bloomberg U.S. Aggregate Bond Index, etc.). A market index is a statistical composite that measures changes in financial markets, including stock and bond fluctuations. Comparative performance will usually be based upon a three- to five-year time horizon.
 - B. Portfolios that have a record of consistently performing better than the median of a universe of similar portfolios. A universe is a peer group of investment managers handling similarly managed funds. Comparative performance will usually be based upon a three- to five-year time horizon.
 - C. Portfolios will also be evaluated on a risk-adjusted basis versus the relevant market index.

- III. Communication/Reporting
 - A. Investment management organizations that provide monthly updates regarding investment holdings and performance, as well as a clear definition of their management, philosophy and strategy. Investment management organizations that do not normally provide this information must commit to making it available at least monthly.
 - B. Ease of communicating the characteristics of the portfolios to participants.

IV. Corporate Stability/Personnel

- A. Financial stability of the company. In the case of the deposit account options, each bank should be investment grade as rated by Moody's, Fitch and Standard & Poor's.
- B. Corporate governance of the investment management organization. Preference will be given to firms who have remained stable from an organizational standpoint, including staffing, controlled plan for growth, compliance with respective governing agencies, etc.
- C. Minimum active assets under management as follows:
 - Bank Deposit Account - \$500 million
 - Fixed Income - \$1 billion
 - Inflation Protection - \$500 million
 - High Yield - \$500 million
 - Target Date Portfolios – Not applicable
 - Balanced - \$500 million
 - Large Capitalization Domestic Equity - \$1 billion
 - International Equity - \$1 billion
 - Small/Mid Capitalization Domestic Equity - \$500 million
- D. The PAC will evaluate the overall size of assets under advisement within the particular investment strategy employed by PAC and the length of time the organization has been in operation. When considering an actively managed product, the PAC will consider those firms where a proposed allocation will not exceed more than 25% of such firm's assets under management within the proposed investment strategy. In general, these are the guidelines that the PAC wishes to use when selecting new active investment managers for inclusion in the Plan. However, there may be special circumstances when the PAC decides to relax these requirements. For example, should non-traditional asset classes or non-core strategies be included in the Target Date Funds, the PAC may waive the 25% maximum or the minimum assets under management in order to gain the desired diversification. Additionally, the PAC may elect to increase the 25% maximum for asset classes requiring special considerations (e.g. capacity-constrained asset classes). In the event that the PAC decides to relax these guidelines, other factors will be carefully considered including, but not limited to, whether or not the investment manager is a named fiduciary to the Plan and the size of the portfolio in relationship to the other assets under advisement by the investment manager.

V. Operations

- A. Portfolios and/or funds that offer ease and ability to make transfers and process liquidations and contributions.
- B. Funds/or portfolios must be valued daily.

VI. Other

To the extent that the PAC uses separately managed portfolios, those assets will be held in custody with an appropriate custodian and the investment manager will reconcile their fund holdings with the custodian.

6. MONITORING INVESTMENT PERFORMANCE

The PAC will review the investment management organizations and investment performance of each portfolio and investment option on a quarterly basis. The PAC may retain an outside consultant or advisor to provide a report and assist in the evaluation of such portfolios.

A portfolio and investment option will be evaluated over a full market cycle, generally defined as three to five years. This time period may be longer depending on the current market environment. This allows for the investment process and style of a particular portfolio to fully manifest itself in terms of risk, return, style, and overall portfolio characteristics.

At its discretion, the PAC may choose to evaluate a fund over a shorter period. The PAC will review the following with respect to each portfolio and investment option:

1. Portfolio management, expenses and administrative feasibility;
 - A. Appropriate diversification and prudent management.
 - B. Reasonable investment management fees and/or expense ratios as compared to other institutionally managed portfolios.
 - C. Consistent investment style.
2. Performance;
 - A. Performance versus indices.
 - B. Performance relative to peer group.
 - C. Performance reviewed over a three- and five-year time period unless a shorter term underperformance is so severe that it warrants the PAC's immediate consideration for termination and/or replacement. The PAC may also elect to evaluate a manager over longer time periods given current market conditions.
 - D. Portfolio risk characteristics shall remain consistent with the underlying investment manager or portfolio style.
3. Communication and reporting;
 - A. Each investment manager shall communicate any changes to their organization, personnel and investment process to the PAC.
 - B. Each investment manager shall be responsive to the PAC and staff's requests.
4. Corporate stability and personnel;
 - A. Investment management organizations shall not experience negative financial press that impacts the reputation of the firm.
 - B. Corporate governance issues including change in company ownership, turnover of the underlying investment management personnel, significant change to the investment process or issues with governing regulatory body.
 - C. For actively managed products, portfolio size should be no more than 25% of the firm's assets under advisement within the particular investment strategy employed by PAC. For investments requiring

special considerations (e.g. capacity-constrained asset classes), the maximum portfolio size may exceed 25% of the firm's assets under advisement within the particular investment strategy. In this event, the PAC may consider each portfolio on a case-by-case basis in order to determine if it will relax the 25% maximum. In the event a portfolio is above this maximum and the PAC does not grant an exception, the portfolio will be brought back in line with this policy as soon as administratively possible.

5. Operations;
 - A. Investment options will be monitored for utilization by participants.
 - B. Operational problems with the accuracy of transactions and processing of cash flow will be reviewed.
6. Compliance with individual fund investment guidelines.
7. In the case of separate accounts, compliance with individual investment guidelines as outlined in the Appendix.

With respect to performance, the PAC will evaluate funds against a variety of measures including one or more of the following:

- Absolute performance relative to an appropriate index.
- Relative performance versus other similarly managed portfolios as defined by a universe of other funds/managers.
- An analysis of risk and risk-adjusted performance.
- An analysis of adherence to and implementation of style.

The specific performance criteria for each portfolio and investment option are outlined in the Appendix.

Non-compliance, and/or non-adherence to the aforementioned standards and performance objectives can be grounds for immediate termination and replacement.

Other issues, such as significant changes from current operational and reporting standards, may be considered by the PAC within the monitoring, termination and replacement decision-making process.

The PAC will generally take the following steps prior to terminating an investment manager. Should the investment manager fail to meet any of the monitoring items listed above, the PAC will place the investment manager on watch and may meet with the investment manager to discuss the specific issue(s). The PAC will give the investment manager a reasonable amount of time to correct the issue and will continue to monitor the firm. At the PAC's discretion, there may be circumstances that warrant terminating an investment manager immediately and without going through these outlined steps.

7. PROXY VOTING

The PAC acknowledges that the ownership of equities in separate accounts entitles proxies to be voted at annual and special meetings of shareholders. The PAC commits

to managing its proxy voting rights with the same care, skill, diligence and prudence as is exercised in managing its other assets. As responsible fiduciaries, the PAC and designated staff or agent will exercise its proxy voting rights in the sole interest of the Plan's participants and beneficiaries in accordance with all applicable statutes. The PAC may delegate proxy voting to the investment managers or contract with a third party to perform its duties.

The PAC acknowledges that its proxy voting rights for its equity investments do not extend to such corporate actions as offers to repurchase, tender offers, securities class action litigation, bankruptcies and dividend reinvestments. Such corporate actions are to be decided by the relevant equity investment managers. The PAC also acknowledges that its proxy voting rights do not extend at all to its investment in fixed-income instruments. All corporate actions on fixed-income instruments are to be made by the PAC's investment managers. Proxy voting guidelines appear in the Appendix.

8. TRADE RESTRICTION POLICY

The PAC has adopted and implemented the following trade restriction policy to protect participants from the potential negative impact of market timing and frequent trading.

90-Day Equity Wash Rule – The book value of the Stable Income Fund is insured by wrap providers who require a 90-calendar day waiting period for any transfers from the Stable Income Fund into the competing Bank Depository Fund. If a participant wishes to move assets from the Stable Income Fund into the Bank Depository Fund, they must first move their assets into Target Date Funds or Asset Class Funds for 90 calendar days. In addition, once a participant transfers out of the Stable Income Fund, all investment options are restricted from transferring into a competing fund for 90 calendar days. The 90-calendar day window restarts with the latest transfer out of the Stable Income Fund. The 90-Day Equity Wash Rule is automatically imposed by the Plan's recordkeeper.

2% Redemption Fee – The Non-U.S. Equity Fund ("Fund") will impose a 2% redemption fee on the value of shares not held in the Fund for a minimum of 15 calendar days after purchase. The fee collected will be re-invested back into the Net Asset Value (NAV) of the Fund in order to offset any costs resulting from frequent trading and/or market timing. The redemption fee will not be applied to fee deductions and/or plan distributions.

This fee is automatically imposed by the Plan's recordkeeper and a participant will receive an online notification prior to placing a trade where a 2% redemption fee would apply.

The PAC reserves the right to impose penalties for disruptive trading practices, even if such practices may not be in strict violation of the program. The Plan will comply with any trade restrictions adopted by a mutual fund or collective trust utilized in the Plan.

9. SELF-DIRECTED BROKERAGE OPTION – UNRELATED BUSINESS TAXABLE INCOME POLICY

The PAC has purposefully excluded publicly traded limited partnerships from the menu of acceptable investments in the self-directed brokerage option due to the potential tax implication that could be created from these types of investments. To ensure that the Plan is not subject to Unrelated Business Taxable Income and the corresponding tax liability, the PAC will administer the Plan in accordance with the terms set forth in the self-directed brokerage investment menu and liquidate any holdings which could create a tax liability.

The PAC's procedure for liquidating such securities will include notification of the prohibited holdings to the participant instructing them to liquidate their holding within six months. One month prior to a forced liquidation, the recordkeeper will issue a second notice informing the participant of the forced liquidation of assets at the end of the six months. In the event that the participant does not liquidate the security within six months, the PAC authorizes staff to instruct the recordkeeper and brokerage window provider to initiate a forced liquidation. The proceeds from the liquidation will be deposited into the money market fund within the participant's self-directed brokerage account for further participant direction into permitted investments.

10. TRANSACTIONS, BROKERAGE AND COMMISSION RECAPTURE PROGRAM

The PAC understands its fiduciary responsibility with respect to transactions and hereby instructs their investment managers to seek best execution when conducting all trades. Investment managers are instructed to seek to minimize commission and market impact costs when trading securities. Investment managers shall provide annual reports to the staff summarizing commission activity by broker, showing the average commission cost and execution costs.

When trading securities, best execution is the paramount consideration of the PAC. This objective is expected to provide for and protect the best economic interest of the Plan. As part of the trading process, managers shall determine expected trading costs associated with approved firms on the PAC's commission recapture brokerage firm list, if applicable. If trading through one of the PAC's commission recapture brokerage firm is in the best economic interest of the Plan, the investment managers are expected to consider this firm as well as others in obtaining best execution.

For example, if an equity trade is contemplated and an investment manager can execute the trade through the PAC's commission recapture brokerage firm while not incurring any incremental commission or market impact costs, then the PAC would like the manager to do so. However, if a manager is required to carve out a portion of a block trade to accommodate a trade through the PAC's commission recapture brokerage firm or if such a trade is likely to lead to increased costs, the manager shall not trade through the PAC's commission recapture brokerage firm.

11. COMMUNICATIONS TO PARTICIPANTS

The PAC or its designees will take reasonable steps to communicate the general characteristics of the various investment options to participants. These communications will include a description of the relative investment risk associated with each alternative, benefits of diversification, and other general investment education.

At least quarterly, participants will be notified of the rates of return of the investment options. Other information may be included which will help the participants make informed decisions regarding their investment options. The PAC acknowledges the need to support the County of Los Angeles in its effort to adequately educate participants with respect to time horizons, risk, expected returns, and portfolio diversification. In addition, this Statement of Investment Policy is to be communicated to participants upon adoption by the PAC.

12. ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) INVESTING

ESG issues can factor into the economic success of investments, especially as it may expose opportunities and risks, particularly long-term risks, that are not otherwise detected, thereby allowing investors to minimize such risks.

For the purpose of this investment policy, the definitions listed below are established to provide a common basis for reference and usage:

- **ESG factors** – These non-financial factors rate and score a company’s efforts to address environmental, social, and governance issues including (but not limited to) carbon emissions, energy efficiency, gender and diversity, human rights, labor standards, board composition, and executive compensation. ESG factors may be used by investment managers to identify specific company risk or growth opportunities. Investors can typically access ESG factors through a subscription to an ESG Ratings Agency.
- **ESG Information or ESG Data** – These are broader terms that are more loosely used. They are not tied specifically to ESG factors. This is information or data that may describe or relate to an environmental, social, or governance issue. However, it does not denote a standardized rating or calculated score that an ESG Ratings Agency would issue.
- **Socially Responsible Investing (SRI)** – A values-based investing process in which an exclusionary screen is applied to an investable opportunity set. Investments that fail to meet an organizations’ values would be excluded from consideration.

PAC Application

The PAC, as the designated fiduciary for the Plan, must at all times comply with its fiduciary duties as described in section 4 above. Consistent with these duties, the PAC is responsible for evaluating ESG Information in the investment process based on the economic benefit to the Plan participants and beneficiaries. Upon the PAC's request, investment managers shall provide information on whether and how ESG factors are incorporated in their respective investment strategies. Such information may be used by the PAC when evaluating investment managers, though the PAC will not use Plan assets to promote or advance ESG issues or acquire collateral benefits at the expense of the financial interests of the Plans' participants and beneficiaries. Since SRI applies an exclusionary screen which reduces the investable opportunity set, SRI should not be considered as it may also limit economic outcomes and diversification potential.

Investment Manager Application

As it relates to specific or individual ESG factors, the PAC may delegate the responsibility of determining the materiality of ESG factors to the investment managers. It is required that each investment manager, consistent with the fiduciary duties described in section 4 above, will determine the appropriate ESG factors to apply in their respective investment process to maximize the economic benefit to Plan participants and beneficiaries.

Appendix A HORIZONS PLAN INVESTMENT FUND OPTIONS

I. Investment Fund Options

Asset Class	Investment Option	Market Benchmark	Peer Universe
Capital Preservation	Bank Depository Fund	Average of 3-Month LIBOR during the last ten business days of the prior calendar quarter	Not applicable
Capital Preservation	Horizons Stable Income Fund	3 Month T-Bill Index plus 1.5%	Stable value
Bond/Fixed Income	Horizons Bond Fund	Bloomberg U.S. Aggregate Bond Index	Core plus bond
Inflation Protection	Horizons Inflation Protection Fund	Blended index of 38.0% Bloomberg U.S. TIPS Index, 15.5% Bloomberg Roll Select Commodity Index, 6.2% Dow Jones U.S. Select REIT Index, 15.5% S&P Global LargeMidCap Commodity and Resources Index, 12.4% Bloomberg U.S. TIPS 1-10 Year Index and 12.4% S&P Global Infrastructure Equity Index.	Not applicable
Balanced/Target Date	Horizons Retirement Income Fund	Blended index of 27% Bloomberg U.S. Aggregate Bond Index; 5% Merrill Lynch U.S. High Yield BB-B 2% Constrained Index; 8% blended index of 25% JPMorgan GBI EM Global Diversified Index, 25% JPMorgan ELMI+Index, 50% JPMorgan EMBI GD Index; 6.3% S&P 500 Index; 3.9% MSCI EAFE Index; 1.35% Russell Mid Cap Index; 1.35% Russell 2000 Index; 2.1% MSCI Emerging Market Free Index; 6.0% Bloomberg U.S. TIPS 1-10 Year Index; 12% blended index of 75% NCREIF ODCE and 25% MSCI US REIT Index; 7.5% blended index of 60% MSCI World and 40% CitiWGBI; 7.5% MSCI All Country World Index; and 12% blended index of 38.0% Bloomberg U.S. TIPS Index, 15.5% Bloomberg Roll Select Commodity Index, 6.2% Dow Jones U.S. Select REIT Index, 15.5% S&P Global LargeMidCap Commodity and Resources Index, 12.4% Bloomberg U.S. TIPS 1-10 Year Index and 12.4% S&P Global Infrastructure Equity Index.*	Target Date funds with similar retirement date
Balanced/Target Date	Horizons 2015 Target Date Fund	Blended index of 23.75% Bloomberg U.S. Aggregate Bond Index; 4.32% Merrill Lynch U.S. High Yield BB-B 2% Constrained Index; 7.13% blended index of 25% JPMorgan GBI EM Global Diversified Index, 25% JPMorgan ELMI+Index, 50% JPMorgan EMBI GD Index; 9.82% S&P 500 Index; 6.07% MSCI EAFE Index; 2.10% Russell Mid Cap Index; 2.10% Russell 2000 Index; 3.27% MSCI Emerging Markets Free Index; 5.44% Bloomberg U.S. TIPS 1-10 Year Index; 10.87% blended index of 75% NCREIF ODCE and 25% MSCI US REIT Index; 7.5% blended index of 60% MSCI World and 40% CitiWGBI; 7.5% MSCI All Country World Index; and 10.13% blended index of 38.0% Bloomberg U.S. TIPS Index, 15.5% Bloomberg Roll Select Commodity Index, 6.2% Dow Jones U.S. Select REIT Index, 15.5% S&P Global LargeMidCap Commodity and Resources Index, 12.4% Bloomberg U.S. TIPS 1-10 Year Index and 12.4% S&P Global Infrastructure Equity Index.*	Target Date funds with similar retirement date

Asset Class	Investment Option	Market Benchmark	Peer Universe
Balanced/Target Date	Horizons 2020 Target Date Fund	Blended index of 19.25% Bloomberg U.S. Aggregate Bond Index; 3.47% Merrill Lynch U.S. High Yield BB-B 2% Constrained Index; 5.84% blended index of 25% JPMorgan GBI EM Global Diversified Index, 25% JPMorgan ELMI+Index, 50% JPMorgan EMBI GD Index; 14.34% S&P 500 Index; 8.88% MSCI EAFE Index; 3.07% Russell Mid Cap Index; 3.07% Russell 2000 Index; 4.78% MSCI Emerging Markets Free Index; 4.93% Bloomberg U.S. TIPS 1-10 Year Index; 9.88% blended index of 75% NCREIF ODCE and 25% MSCI US REIT Index; 7.5% blended index of 60% MSCI World and 40% CitiWGBI; and 7.5% MSCI All Country World Index; and 7.49% blended index of 38% Bloomberg U.S. TIPS Index, 15.5% Bloomberg Roll Select Commodity Index, 6.2% Dow Jones U.S. Select REIT Index, 15.5% S&P Global LargeMidCap Commodity and Resources Index, 12.4% Bloomberg U.S. TIPS 1-10 Year Index and 12.4% S&P Global Infrastructure Equity Index.*	Target Date funds with similar retirement date
Balanced/Target Date	Horizons 2025 Target Date Fund	Blended index of 13.40% Bloomberg U.S. Aggregate Bond Index; 2.60% Merrill Lynch U.S. High Yield BB-B 2% Constrained Index; 4.80% blended index of 25% JPMorgan GBI EM Global Diversified Index, 25% JPMorgan ELMI+Index, 50% JPMorgan EMBI GD Index; 19.53% S&P 500 Index; 12.10% MSCI EAFE Index; 4.19% Russell Mid Cap Index; 4.19% Russell 2000 Index; 6.51% MSCI Emerging Markets Free Index; 4.34% Bloomberg U.S. TIPS 1-10 Year Index; 8.68% blended index of 75% NCREIF ODCE and 25% MSCI US REIT Index; 7.5% blended index of 60% MSCI World and 40% CitiWGBI; 7.5% MSCI All Country World Index; and 4.66% blended index of 38% Bloomberg U.S. TIPS Index, 15.5% Bloomberg Roll Select Commodity Index, 6.2% Dow Jones U.S. Select REIT Index, 15.5% S&P Global LargeMidCap Commodity and Resources Index, 12.4% Bloomberg U.S. TIPS 1-10 Year Index and 12.4% S&P Global Infrastructure Equity Index.*	Target Date funds with similar retirement date
Balanced/Target Date	Horizons 2030 Target Date Fund	Blended index of 7.0% Bloomberg U.S. Aggregate Bond Index; 1.60% Merrill Lynch U.S. High Yield BB-B 2% Constrained Index; 3.80% blended index of 25% JPMorgan GBI EM Global Diversified Index, 25% JPMorgan ELMI+Index, 50% JPMorgan EMBI GD Index; 24.95% S&P 500 Index; 15.43% MSCI EAFE Index; 5.35% Russell Mid Cap Index; 5.35% Russell 2000 Index; 8.32% MSCI Emerging Markets Free Index; 3.30% Bloomberg U.S. TIPS 1-10 Year Index; 6.60% blended index of 75% NCREIF ODCE and 25% MSCI US REIT Index; 7.5% blended index of 60% MSCI World and 40% CitiWGBI; 7.5% MSCI All Country World Index; and 3.30% blended index of 38% Bloomberg U.S. TIPS Index, 15.5% Bloomberg Roll Select Commodity Index, 6.2% Dow Jones U.S. Select REIT Index, 15.5% S&P Global LargeMidCap Commodity and Resources Index, 12.4% Bloomberg U.S. TIPS 1-10 Year Index and 12.4% S&P Global Infrastructure Equity Index.*	Target Date funds with similar retirement date

Asset Class	Investment Option	Market Benchmark	Peer Universe
Balanced/Target Date	Horizons 2035 Target Date Fund	Blended index of 2.85% Bloomberg U.S. Aggregate Bond Index; 0.60% Merrill Lynch U.S. High Yield BB-B 2% Constrained Index; 2.75% blended index of 25% JPMorgan GBI EM Global Diversified Index, 25% JPMorgan ELMI+Index, 50% JPMorgan EMBI GD Index; 28.88% S&P 500 Index; 17.88% MSCI EAFE Index; 6.20% Russell Mid Cap Index; 6.20% Russell 2000 Index; 9.64% MSCI Emerging Markets Free Index; 2.50% Bloomberg U.S. TIPS 1-10 Year Index; 5.0% blended index of 75% NCREIF ODCE and 25% MSCI US REIT Index; 7.5% blended index of 60% MSCI World and 40% CitiWGBI; 7.5% MSCI All Country World Index; and 2.50% blended index of 38% Bloomberg U.S. TIPS Index, 15.5% Bloomberg Roll Select Commodity Index, 6.2% Dow Jones U.S. Select REIT Index, 15.5% S&P Global LargeMidCap Commodity and Resources Index, 12.4% Bloomberg U.S. TIPS 1-10 Year Index and 12.4% S&P Global Infrastructure Equity Index.*	Target Date funds with similar retirement date
Balanced/Target Date	Horizons 2040 Target Date Fund	Blended index of 2% blended index of 25% JPMorgan GBI EM Global Diversified Index, 25% JPMorgan ELMI+Index, 50% JPMorgan EMBI GD Index; 30.66% S&P 500 Index; 18.98% MSCI EAFE Index; 6.57% Russell Mid Cap Index; 6.57% Russell 2000 Index; 10.22% MSCI Emerging Markets Free Index; 2.50% Bloomberg U.S. TIPS 1-10 Year Index; 5.0% blended index of 75% NCREIF ODCE and 25% MSCI US REIT Index; 7.5% blended index of 60% MSCI World and 40% CitiWGBI; 7.5% MSCI All Country World Index; and 2.50% blended index of 38% Bloomberg U.S. TIPS Index, 15.5% Bloomberg Roll Select Commodity Index, 6.2% Dow Jones U.S. Select REIT Index, 15.5% S&P Global LargeMidCap Commodity and Resources Index, 12.4% Bloomberg U.S. TIPS 1-10 Year Index and 12.4% S&P Global Infrastructure Equity Index.*	Target Date funds with similar retirement date
Balanced/Target Date	Horizons 2045 Target Date Fund	Blended index of 2% blended index of 25% JPMorgan GBI EM Global Diversified Index, 25% JPMorgan ELMI+Index, 50% JPMorgan EMBI GD Index; 30.66% S&P 500 Index; 18.98% MSCI EAFE Index; 6.57% Russell Mid Cap Index; 6.57% Russell 2000 Index; 10.22% MSCI Emerging Markets Free Index; 2.50% Bloomberg U.S. TIPS 1-10 Year Index; 5.0% blended index of 75% NCREIF ODCE and 25% MSCI US REIT Index; 7.5% blended index of 60% MSCI World and 40% CitiWGBI; 7.5% MSCI All Country World Index; and 2.50% blended index of 38% Bloomberg U.S. TIPS Index, 15.5% Bloomberg Roll Select Commodity Index, 6.2% Dow Jones U.S. Select REIT Index, 15.5% S&P Global LargeMidCap Commodity and Resources Index, 12.4% Bloomberg U.S. TIPS 1-10 Year Index and 12.4% S&P Global Infrastructure Equity Index.*	Target Date funds with similar retirement date
Balanced/Target Date	Horizons 2050 Target Date Fund	Blended index of 2% blended index of 25% JPMorgan GBI EM Global Diversified Index, 25% JPMorgan ELMI+Index, 50% JPMorgan EMBI GD Index; 30.66% S&P 500 Index; 18.98% MSCI EAFE Index; 6.57% Russell Mid Cap Index; 6.57% Russell 2000 Index; 10.22% MSCI Emerging Markets Free Index; 2.50% Bloomberg U.S. TIPS 1-10 Year Index; 5.0% blended index of 75% NCREIF ODCE and 25% MSCI US REIT Index; 7.5% blended index of 60% MSCI World and 40% CitiWGBI; 7.5% MSCI All Country World Index; and 2.50% blended index of 38% Bloomberg U.S. TIPS Index, 15.5% Bloomberg Roll Select Commodity Index, 6.2% Dow Jones U.S. Select REIT Index, 15.5% S&P Global LargeMidCap Commodity and Resources Index, 12.4% Bloomberg U.S. TIPS 1-10 Year Index and 12.4% S&P Global Infrastructure Equity Index.*	Target Date funds with similar retirement date

Asset Class	Investment Option	Market Benchmark	Peer Universe
Balanced/Target Date	Horizons 2055 Target Date Fund	Blended index of 2% blended index of 25% JPMorgan GBI EM Global Diversified Index, 25% JPMorgan ELMI+Index, 50% JPMorgan EMBI GD Index; 30.66% S&P 500 Index; 18.98% MSCI EAFE Index; 6.57% Russell Mid Cap Index; 6.57% Russell 2000 Index; 10.22% MSCI Emerging Markets Free Index; 2.50% Bloomberg U.S. TIPS 1-10 Year Index; 5.0% blended index of 75% NCREIF ODCE and 25% MSCI US REIT Index; 7.5% blended index of 60% MSCI World and 40% CitiWGBI; 7.5% MSCI All Country World Index; and 2.50% blended index of 38% Bloomberg U.S. TIPS Index, 15.5% Bloomberg Roll Select Commodity Index, 6.2% Dow Jones U.S. Select REIT Index, 15.5% S&P Global LargeMidCap Commodity and Resources Index, 12.4% Bloomberg U.S. TIPS 1-10 Year Index and 12.4% S&P Global Infrastructure Equity Index.*	Target Date funds with similar retirement date
Balanced/Target Date	Horizons 2060 Target Date Fund	Blended index of 2% blended index of 25% JPMorgan GBI EM Global Diversified Index, 25% JPMorgan ELMI+Index, 50% JPMorgan EMBI GD Index; 30.66% S&P 500 Index; 18.98% MSCI EAFE Index; 6.57% Russell Mid Cap Index; 6.57% Russell 2000 Index; 10.22% MSCI Emerging Markets Free Index; 2.50% Bloomberg U.S. TIPS 1-10 Year Index; 5.0% blended index of 75% NCREIF ODCE and 25% MSCI US REIT Index; 7.5% blended index of 60% MSCI World and 40% CitiWGBI; 7.5% MSCI All Country World Index; and 2.50% blended index of 38% Bloomberg U.S. TIPS Index, 15.5% Bloomberg Roll Select Commodity Index, 6.2% Dow Jones U.S. Select REIT Index, 15.5% S&P Global LargeMidCap Commodity and Resources Index, 12.4% Bloomberg U.S. TIPS 1-10 Year Index and 12.4% S&P Global Infrastructure Equity Index.*	Target Date funds with similar retirement date
Balanced	Horizons Balanced Fund	Blended index of 60% S&P 500 Index and 40% Bloomberg U.S. Aggregate Bond Index	Balanced funds with similar asset allocation
Large Capitalization Domestic Equity	Horizons Large Cap Equity Fund	S&P 500 Index	Not applicable
International Equity	Horizons Non-U.S. Equity Fund	MSCI EAFE Index	Non-U.S. equity
Mid Capitalization Domestic Equity	Horizons Mid Cap Equity Fund	Russell Mid Cap Index	Mid cap equity
Small Capitalization Domestic Equity	Horizons Small Cap Equity Fund	Russell 2000 Index	Small cap equity

*The benchmark weight for each asset class represents the weight for 2022.

II. Composition of Asset Class Funds

Some of the asset class funds seek diversification through a multi-manager structure. Each investment manager will manage their portfolio independently. The asset allocation for each Fund will be rebalanced through daily participant trades, semi-monthly payroll deferral contributions and quarterly rebalancing.

Investment Option	Investment Manager	Benchmark	Target	Range (+ / -)
Horizons Bond Fund	Loomis Sayles & Company, L.P. Core Plus Full Discretion	Bloomberg U.S. Aggregate Bond Index	50%	10%
	Metropolitan West Asset Management, LLC – separate account		50%	10%
Horizons Balanced Fund	Dodge & Cox Balanced Fund (DODBX)	Blended index of 60% S&P 500 Index and 40% Bloomberg U.S. Aggregate Bond Index	100%	n/a
Horizons Large Cap Equity Fund	SSgA S&P 500 Index Fund	S&P 500 Index	100%	n/a
Horizons Non-U.S. Equity Fund	Capital Guardian International (Non-U.S.) Equity Fund Unit Class T	MSCI EAFE Index	50%	10%
	Causeway Capital Management LLC – separate account	MSCI EAFE Index	50%	10%
Horizons Mid Cap Equity Fund	SSgA MidCap Index Fund	Russell Mid Cap Index	25%	5%
	Artisan Partners Limited Partnership – separate account	Russell Mid Cap Growth Index	28.5%	4%
	William Blair Investment Management, LLC – separate account	Russell Mid Cap Growth Index	9%	2%
	AllianceBernstein L.P.– separate account	Russell Mid Cap Value Index	22.5%	3%
	WEDGE Capital Management L.L.P. – separate account	Russell Mid Cap Value Index	15%	3%
Horizons Small Cap Equity Fund	SSgA Russell 2000 Index Fund	Russell 2000 Index	30%	5%
	Brandywine Global Investment Management, LLC – separate account	Russell 2000 Value Index	12%	3%
	Dimensional Fund Advisors U.S. Targeted Value Portfolio	Russell 2000 Value Index	12%	3%
	Phocas Financial – separate account	Russell 2000 Value Index	11%	3%
	T. Rowe Price New Horizons Fund (PRNHX)	Russell 2000 Growth Index	11.5%	3%
	Rice Hall James & Associates, LLC – separate account	Russell 2000 Growth Index	4.5%	1.5%

Investment Option	Investment Manager	Benchmark	Target	Range (+ / -)
	Peregrine Capital Management, LLC – separate account	Russell 2000 Growth Index	19%	3%
Horizons Inflation Protection Fund	SSgA U.S. Inflation Protected Bond Index Fund – Class A	Bloomberg U.S. Treasury Inflation Protected Securities Index	38%	2.5%
	SSgA Real Asset Strategy Fund	Blended index of 25% Bloomberg Roll Select Commodity Index, 25% S&P Global LargeMidCap Commodity and Resources Index, 10% Dow Jones U.S. Select REIT Index, 20% Bloomberg U.S. TIPS 1-10 Year Index and 20% S&P Global Infrastructure Equity Index.	62%	5%

III. Composition of Target Date Funds

Each of the target date portfolios will invest in a combination of the Plan's core portfolios as well as other non-core strategies and is diversified by asset class and holdings. The glide path and asset allocation for each retirement date portfolio is approved by the PAC. Each year the target date funds will adjust to more conservative investments as the Fund's time horizon shortens. The asset allocation for each portfolio will be rebalanced through daily participant trades and the semi-monthly payroll deferral contribution. The non-core portfolios currently included in the target date funds are listed in the table below.

Asset Class	Investment Manager	Benchmark	Target	Range (+ / -)
Equity Alternatives	BNYM Newton SL Global Alpha I Fund	Blended index of 60% MSCI World and 40% CitiWGBI	50%	4%
	SSgM Transition Account	MSCI All Country World Index	50%	4%
Real Return	JP Morgan Diversified Commercial Property Fund	Blended index of 75% NCREIF ODCE and 25% MSCI REIT Index	67%	5%
	PIMCO All Asset Fund (PAAIX)	Bloomberg U.S. TIPS 1-10 Year Index*	33%	5%
Emerging Markets Equity	Dimensional Fund Advisors Emerging Market Value Portfolio	MSCI Emerging Markets Free Index	100%	n/a
Emerging Market Debt (Blended Currency)	Ashmore Emerging Markets Total Return Fund, Institutional Share Class (EMKIX)	Blended index of 25% JPMorgan GBI EM Global Diversified Index, 25% JPMorgan ELMI+Index, 50% JPMorgan EMBI GD Index	100%	n/a

Asset Class	Investment Manager	Benchmark	Target	Range (+ / -)
High Yield	PIMCO High Yield Fund (PHIYX)	Bank of America Merrill Lynch US High Yield BB-B rated constrained Index	100%	n/a

*A secondary benchmark is 40% Bloomberg U.S. Aggregate Bond Index; 30% Bloomberg U.S. TIPS 1-10 Year Index; 10% S&P 500 Index; 10% Bloomberg High Yield Index; 10% JP Morgan EMBI Index.

IV. Blended Funds Asset Allocation and Rebalancing Guidelines

The PAC has adopted the asset allocation policy and rebalancing ranges as outlined below for the Horizons Target Date Funds. The PAC determined this policy after evaluating the implications of increased investment return versus increased variability of return for a number of potential investment policies with varying commitments to equities, fixed income securities and alternative investments.

Horizons Retirement Income Fund	Target %	Range (+/-)
Small Cap	1.35%	1.0%
Mid Cap	1.35%	1.0%
Large Cap	6.30%	3.0%
Non-U.S.	3.90%	2.5%
Bond	27.00%	5.0%
Equity Alternatives	15.00%	6.0%
Real Return	18.00%	6.5%
High Yield	5.00%	3.0%
Emerging Market Equity	2.10%	1.5%
EMD (Blended)	8.00%	3.0%
Inflation Protection	12.00%	5.0%
	100.00%	

Horizons 2015 Target Date Fund	Target %	Range (+/-)
Small Cap	2.10%	1.5%
Mid Cap	2.10%	1.5%
Large Cap	9.82%	5.0%
Non-U.S.	6.07%	4.0%
Bond	23.75%	4.5%
Equity Alternatives	15.00%	6.0%
Real Return	16.31%	6.0%
High Yield	4.32%	2.5%
Emerging Market Equity	3.27%	2.0%
EMD (Blended)	7.13%	3.0%
Inflation Protection	10.13%	4.0%
	100.00%	

Horizons 2020 Target Date Fund	Target %	Range (+/-)
Small Cap	3.07%	1.5%
Mid Cap	3.07%	1.5%
Large Cap	14.34%	6.0%
Non-U.S.	8.88%	5.0%
Bond	19.25%	4.0%
Equity Alternatives	15.00%	6.0%
Real Return	14.81%	5.0%
High Yield	3.47%	2.0%
Emerging Market Equity	4.78%	3.0%
EMD (Blended)	5.84%	2.5%
Inflation Protection	7.49%	3.0%
	100.00%	

Horizons 2025 Target Date Fund	Target %	Range (+/-)
Small Cap	4.19%	2.0%
Mid Cap	4.19%	2.0%
Large Cap	19.53%	7.0%
Non-U.S.	12.10%	6.0%
Bond	13.40%	3.0%
Equity Alternatives	15.00%	6.0%
Real Return	13.02%	4.5%
High Yield	2.60%	1.5%
Emerging Market Equity	6.51%	4.0%
EMD (Blended)	4.80%	2.0%
Inflation Protection	4.66%	2.0%
	100.00%	

Horizons 2030 Target Date Fund	Target %	Range (+/-)
Small Cap	5.35%	2.5%
Mid Cap	5.35%	2.5%
Large Cap	24.95%	8.0%
Non-U.S.	15.43%	6.5%
Bond	7.00%	2.0%
Equity Alternatives	15.00%	6.0%
Real Return	9.90%	3.5%
High Yield	1.60%	1.0%
Emerging Market Equity	8.32%	4.5%
EMD (Blended)	3.80%	2.0%
Inflation Protection	3.30%	1.0%
	100.00%	

Horizons 2035 Target Date Fund	Target %	Range (+/-)
Small Cap	6.20%	3.0%
Mid Cap	6.20%	3.0%
Large Cap	28.88%	8.0%
Non-U.S.	17.88%	7.0%
Bond	2.85%	1.0%
Equity Alternatives	15.00%	6.0%
Real Return	7.50%	3.5%
High Yield	0.60%	1.0%
Emerging Market Equity	9.64%	5.0%
EMD (Blended)	2.75%	1.5%
Inflation Protection	2.50%	1.0%
	100.00%	

Horizons 2040 Target Date Fund	Target %	Range (+/-)
Small Cap	6.57%	3.0%
Mid Cap	6.57%	3.0%
Large Cap	30.66%	8.0%
Non-U.S.	18.98%	7.0%
Bond	0.00%	0.0%
Equity Alternatives	15.00%	6.0%
Real Return	7.50%	3.5%
High Yield	0.00%	0.0%
Emerging Market Equity	10.22%	5.0%
EMD (Blended)	2.00%	1.5%
Inflation Protection	2.50%	1.0%
	100.00%	

Horizons 2045 Target Date Fund	Target %	Range (+/-)
Small Cap	6.57%	3.0%
Mid Cap	6.57%	3.0%
Large Cap	30.66%	8.0%
Non-U.S.	18.98%	7.0%
Bond	0.00%	0.0%
Equity Alternatives	15.00%	6.0%
Real Return	7.50%	3.5%
High Yield	0.00%	0.0%
Emerging Market Equity	10.22%	5.0%
EMD (Blended)	2.00%	1.5%
Inflation Protection	2.50%	1.0%
	100.00%	

Horizons 2050 Target Date Fund	Target %	Range (+/-)
Small Cap	6.57%	3.0%
Mid Cap	6.57%	3.0%
Large Cap	30.66%	8.0%
Non-U.S.	18.98%	7.0%
Bond	0.00%	0.0%
Equity Alternatives	15.00%	6.0%
Real Return	7.50%	3.5%
High Yield	0.00%	0.0%
Emerging Market Equity	10.22%	5.0%
EMD (Blended)	2.00%	1.5%
Inflation Protection	2.50%	1.0%
	100.00%	

Horizons 2055 Target Date Fund	Target %	Range (+/-)
Small Cap	6.57%	3.0%
Mid Cap	6.57%	3.0%
Large Cap	30.66%	8.0%
Non-U.S.	18.98%	7.0%
Bond	0.00%	0.0%
Equity Alternatives	15.00%	6.0%
Real Return	7.50%	3.5%
High Yield	0.00%	0.0%
Emerging Market Equity	10.22%	5.0%
EMD (Blended)	2.00%	1.5%
Inflation Protection	2.50%	1.0%
	100.00%	

Horizons 2060 Target Date Fund	Target %	Range (+/-)
Small Cap	6.57%	3.0%
Mid Cap	6.57%	3.0%
Large Cap	30.66%	8.0%
Non-U.S.	18.98%	7.0%
Bond	0.00%	0.0%
Equity Alternatives	15.00%	6.0%
Real Return	7.50%	3.5%
High Yield	0.00%	0.0%
Emerging Market Equity	10.22%	5.0%
EMD (Blended)	2.00%	1.5%
Inflation Protection	2.50%	1.0%
	100.00%	

The purpose of this rebalancing policy is to establish a framework for keeping each target date fund in line with its target asset allocation. Rebalancing activities have been delegated to the custodian bank. Unless otherwise directed in writing from the PAC or staff, the custodian bank is directed to process requests for investments into and withdrawals from each fund by investing in or withdrawing from assets classes on a pro-rata basis using cash flow to help maintain the targeted weight for each portfolio. The PAC further directs and authorizes the custodian bank to rebalance each asset class fund and each target date fund quarterly. The PAC instructs the custodian bank to re-allocate the target date funds annually according to the glidepath adopted by the PAC.

Each target date fund's benchmark is a custom benchmark designed to indicate the returns that a passive investor would earn by consistently following the asset allocation targets set forth in this policy statement. The table below indicates the benchmark for each underlying asset class used in the target date funds.

Asset Class	Benchmark
Large Cap Equity Fund	S&P 500 Index
Mid Cap Equity Fund	Russell Mid Cap Index
Small Cap Equity Fund	Russell 2000 Index
Non-U.S. Equity Fund	MSCI EAFE Index
Emerging Markets Equity	MSCI Emerging Markets Free Index
Equity Alternatives	Blended index of 50% MSCI All Country World Index plus 50% of a combination of MSCI World Index Half Hedged (60%) and Citigroup WGBI Index (40%)
Bond Fund	Bloomberg U.S. Aggregate Bond Index
High Yield	Merrill Lynch US High Yield BB-B Index
Emerging Market Debt (Blended Currency)	Blended index of 25% JPMorgan GBI EM Global Diversified Index, 25% JPMorgan ELMI+ Index, 50% JPMorgan EMBI GD Index

Asset Class	Benchmark
Real Return	Blended index of 66.7% of a combination of NCREIF ODCE Index (75%) and MSCI US REIT Index (25%) plus 33.3% Bloomberg U.S. TIPS 1-10 Year Index
Inflation Protection Fund	Blended index of 38% Bloomberg U.S. TIPS Index, 15.5% Bloomberg Roll Select Commodity Index, 6.2% Dow Jones U.S. Select REIT Index, 15.5% S&P Global LargeMidCap Commodity and Resources Index, 12.4% Bloomberg U.S. TIPS 1-10 Year Index and 12.4% S&P Global Infrastructure Equity Index.

V. Asset Class Funds

The PAC has determined that for certain of the asset class funds it is prudent to utilize more than one investment manager or underlying portfolios. To that end, the PAC has constructed multi-manager funds for the Mid Cap Equity, Small Cap Equity, Non-U.S. Equity, Bond and Inflation Protection Funds. Additionally, for ease of rebalancing, the Equity Alternatives and Real Return Funds used in the Target Date Funds are constructed as multi-manager portfolios. Each multi-manager fund is constructed as follows:

Horizons Mid Cap Fund	Target %	Range (+/-)
SSgA Index Fund/Buffer	25.0%	5%
Artisan Separate Account	28.5%	4%
William Blair Separate Account	9.0%	2%
Wedge Separate Account	15.0%	3%
AllianceBernstein Separate Account	22.5%	3%

Horizons Small Cap Fund	Target %	Range (+/-)
SSgA Index Fund/Buffer	30.0%	5%
Brandywine Separate Account	12.0%	3%
DFA Mutual Fund	12.0%	3%
Phocas Separate Account	11.0%	3%
Peregrine Separate Account	19.0%	3%
T. Rowe Price New Horizons Fund	11.5%	3%
Rice Hall James Separate Account	4.5%	1.5%

Horizons Non-U.S. Equity Fund	Target %	Range (+/-)
Capital Guardian Collective Trust	50%	10%
Causeway Separate Account	50%	10%

Horizons Bond Fund	Target %	Range (+/-)
Loomis Sayles Core Plus Full Discretion	50%	10%
MetWest Separate Account	50%	10%

Horizons Inflation Protection Fund	Target %	Range (+/-)
SSgA TIPS Fund	38%	2.5%
SSgA Real Return Fund	62%	5%

Horizons Equity Alternatives	Target %	Range (+/-)
BNYM Newton SL Global Alpha I Fund	50%	4%
SSgM Transition Account	50%	4%

Horizons Real Return	Target %	Range (+/-)
JP Morgan	67%	5%
PIMCO All Asset	33%	5%

Appendix B
 Brandywine Global Investment Management, LLC
 Small Capitalization Value
 Investment Policy and Guidelines

The purpose of this document is to establish a clear understanding between the County of Los Angeles Deferred Compensation and Thrift Plan and Brandywine Global Investment Management, LLC (Brandywine) with respect to the investment policies and objectives of the assets assigned to Brandywine for investment management. The policy is intended to provide risk policies to guide Brandywine toward long-term rate of return objectives that will serve as standards for evaluating investment performance. The policy will also establish the investment restrictions to be placed upon Brandywine.

OBJECTIVE

To provide capital appreciation and to provide diversification to the equity options offered to participants. Brandywine is retained to manage a portfolio consisting primarily of domestic small cap value equity securities. Brandywine has the discretion to purchase securities across various industry groups with the objective of outperforming the Russell 2000 Value index.

The primary objectives for the portfolio are:

- To remain fully invested with cash positions held to a reasonable minimum.
- To meet or exceed the performance standards set forth below.

STANDARDS OF PERFORMANCE

Brandywine is expected to meet the following performance standards:

- Total portfolio return must exceed that of the Russell 2000 Value index net of management fees.
- Total portfolio results should average in the top half of results from a comparable manager universe.

The period for investment evaluation will be over a three to five year period and will normally include a market cycle unless the interim results are significantly below expectations.

The benchmark identified in this statement of investment policy and guidelines is for manager evaluation and comparative purposes only. While Brandywine's objective is to outperform the stated benchmark, it does not imply that the portfolio will share, or attempt to share, the same or similar characteristics of the benchmark, or any attempt to track the benchmark. It is understood that Brandywine may vary significantly from benchmark characteristics, including, among other things, diversification by sector or sub sector, industry or geography, security concentration, credit rating and duration.

RESTRICTIONS

Brandywine is expected to exercise fiduciary responsibility in the overall management of the portfolio. Acceptable securities include all domestic common and preferred

securities, securities that may be converted into or exchanged for stock (such as convertible debt and preferred stock) listed on an established exchange (including NASDAQ). Foreign common stocks listed on an U.S. exchange in dollar denominated issues and American Depository Receipts (ADRs) are permitted up to 20% of the portfolio at market value. 144A securities (with or without registration rights) which are deemed liquid by the investment manager are permitted up to 20% of the portfolio at market. Futures or Exchange Traded Funds (ETFs) are permissible in order to equitize a short-term cash position. Brandywine may purchase up to 5% at a time of investment and accumulate up to 10% at market in any one security. The portfolio, at the time of purchase, may not invest more than 20% in any one industry, and 35% in any one sector.

The following instruments are prohibited including any forms of leverage:

- Derivatives
- Commodities or commodity futures
- Private placements or other securities not readily marketable
- Securities purchased on margin
- Puts, calls, straddles or hedging
- Warrants or other options except when acquired as part of a purchase of another security
- Short selling

Appendix B
Causeway Capital Management LLC
Non-U.S. Equity
Investment Policy and Guidelines

The purpose of this document is to establish a clear understanding between the County of Los Angeles Deferred Compensation and Thrift Plan and Causeway Capital Management LLC (Causeway) with respect to the investment policies and objectives of the assets assigned to Causeway for investment management. The policy is intended to provide risk policies to guide Causeway toward long-term rate of return objectives that will serve as standards for evaluating investment performance. The policy will also establish the investment restrictions to be placed upon Causeway.

OBJECTIVE

To provide capital appreciation and to provide diversification to the equity options offered to participants. Causeway is retained to manage a portfolio consisting primarily of international value equity securities. Causeway has the discretion to purchase securities in various countries and across various industry groups with the objective of outperforming the MSCI EAFE index.

The primary objectives for the portfolio are:

- To remain fully invested with cash positions held to a reasonable minimum.
- To meet or exceed the performance standards set forth below.

STANDARDS OF PERFORMANCE

Causeway is expected to meet the following performance standards:

- Total portfolio return must exceed that of the MSCI EAFE index net of management fees.
- Total portfolio results should average in the top half of results from a comparable manager universe.

The period for investment evaluation will be over a three to five year period and will normally include a market cycle unless the interim results are significantly below expectations.

The benchmark identified in this statement of investment policy and guidelines is for manager evaluation and comparative purposes only. While Causeway's objective is to outperform the stated benchmark, it does not imply that the portfolio will share, or attempt to share, the same or similar characteristics of the benchmark, or any attempt to track the benchmark. It is understood that Causeway may vary significantly from benchmark characteristics, including, among other things, diversification by sector or sub sector, industry, country or geography, security concentration, credit rating and duration. Causeway may invest in countries that are not in the MSCI EAFE index.

RESTRICTIONS

Causeway is expected to exercise fiduciary responsibility in the overall management of the portfolio. Acceptable securities include all international equities, including common and preferred securities, securities that may be converted into or exchanged for stock (such as convertible debt and preferred stock) listed on an established exchange. Foreign common stocks listed on a U.S. exchange in dollar denominated issues and American Depositary Receipts (ADRs) are permitted. 144A securities (with or without registration rights) which are deemed liquid by the investment manager are permitted up to 20% of the portfolio at market. Causeway may purchase up to 5% at time of investment and accumulate up to 10% at market in any one security. The maximum amount of the portfolio value to be invested in companies in emerging market countries as defined by MSCI is 10% at time of investment.

The following instruments are prohibited:

- Derivatives, except foreign currency forward contracts or swaps in connection with the purchase and sale of securities or to hedge foreign currency exposure to the U.S. dollar
- Physical commodities or commodity futures
- Private placements (except 144A securities deemed liquid and foreign currency forwards or swaps) or other securities not readily marketable
- Securities purchased on margin (except foreign currency forwards or swaps)
- Puts, calls, straddles
- Warrants or other options except when acquired as part of purchase of another security
- Short selling

Appendix B
Peregrine Capital Management, LLC
Small Capitalization Growth
Investment Policy and Guidelines

The purpose of this document is to establish a clear understanding between the County of Los Angeles Deferred Compensation and Thrift Plan and Peregrine Capital Management, LLC (Peregrine) with respect to the investment policies and objectives of the assets assigned to Peregrine for investment management. The policy is intended to provide risk policies to guide Peregrine toward long-term rate of return objectives that will serve as standards for evaluating investment performance. The policy will also establish the investment restrictions to be placed upon Peregrine.

OBJECTIVE

To provide capital appreciation and to provide diversification to the equity options offered to participants. Peregrine is retained to manage a portfolio consisting primarily of domestic small cap growth equity securities. Peregrine has the discretion to purchase securities across various industry groups with the objective of outperforming the Russell 2000 Growth index.

STANDARDS OF PERFORMANCE

Peregrine is expected to meet the following performance standards:

- Total portfolio return must exceed that of the Russell 2000 Growth index net of management fees.
- Total portfolio results should average in the top half of results from a comparable manager universe.

The period for investment evaluation will be over a five year period and will normally include a market cycle unless the interim results are significantly below expectations.

The benchmark identified in this statement of investment policy and guidelines is for manager evaluation and comparative purposes only. While Peregrine's objective is to outperform the stated benchmark, it does not imply that the portfolio will share, or attempt to share, the same or similar characteristics of the benchmark, or any attempt to track the benchmark. It is understood that Peregrine may vary significantly from benchmark characteristics, including among other things, diversification by sector or sub sector, industry or geography, security concentration, credit rating and duration.

RESTRICTIONS

Peregrine is expected to exercise fiduciary responsibility in the overall management of the portfolio. Acceptable securities include all domestic common and preferred securities, securities that may be converted into or exchanged for stock (such as convertible debt and preferred stock) listed on an established exchange (including NASDAQ). Foreign common stocks listed on an U.S. exchange in dollar denominated issues and American Depository Receipts (ADRs) are permitted up to 20% of the

portfolio at market value. 144A securities (with or without registration rights) which are deemed liquid by the investment manager are permitted up to 20% of the portfolio at market. Futures or Exchange Traded Funds (ETFs) are permissible in order to equitize a short-term cash position. Peregrine may purchase up to 5% at a time of investment and accumulate up to 10% at market in any one security.

The following instruments are prohibited:

- Derivatives
- Commodities or commodity futures
- Private placements or other securities not readily marketable
- Securities purchased on margin
- Puts, calls, straddles or hedging
- Warrants or other options except when acquired as part of purchase of another security
- Short selling

Appendix B
AllianceBernstein L.P.
Mid Capitalization Value Index
Investment Policy and Guidelines

The purpose of this document is to establish a clear understanding between the County of Los Angeles Deferred Compensation and Thrift Plan and AllianceBernstein L.P. (AB) with respect to the investment policies and objectives of the assets assigned to AB for investment management. The policy is intended to provide risk policies to guide AB toward long-term rate of return objectives that will serve as standards for evaluating investment performance. The policy will also establish the investment restrictions to be placed upon AB.

OBJECTIVE

To provide capital appreciation and to provide diversification to the equity options offered to participants. AB is retained to manage a portfolio that is indexed to the Russell Mid Cap Value Index.

The primary objectives for the portfolio are:

- To remain fully invested with cash positions held to a reasonable minimum.
- To approximate the performance of mid cap value stocks as measured by the Russell Mid Cap Value index before fees.

STANDARDS OF PERFORMANCE

AB is expected to meet the following performance standards:

- Total portfolio return to approximate the Russell Mid Cap Value index before fees.

RESTRICTIONS

AB is expected to exercise fiduciary responsibility in the overall management of the portfolio. Acceptable securities include all domestic common and preferred securities, securities that may be converted into or exchanged for stock (such as convertible debt and preferred stock) listed on an established exchange (including NASDAQ). Futures or Exchange Traded Funds (ETFs) are permissible in order to equitize a short-term cash position.

The following instruments are prohibited including any forms of leverage:

- Derivatives
- Commodities or commodity futures
- Private placements or other securities not readily marketable
- Securities purchased on margin
- Puts, calls, straddles or hedging
- Warrants or other options except when acquired as part of a purchase of another security
- Short selling

Appendix B
WEDGE Capital Management L.L.P.
Mid Capitalization Value
Investment Policy and Guidelines

The purpose of this document is to establish a clear understanding between the County of Los Angeles Deferred Compensation and Thrift Plan and WEDGE Capital Management L.L.P. (WEDGE) with respect to the investment policies and objectives of the assets assigned to WEDGE for investment management. The policy is intended to provide risk policies to guide WEDGE toward long-term rate of return objectives that will serve as standards for evaluating investment performance. The policy will also establish the investment restrictions to be placed upon WEDGE.

OBJECTIVE

To provide capital appreciation and to provide diversification to the equity options offered to participants. WEDGE is retained to manage a portfolio consisting primarily of domestic mid cap value equity securities. WEDGE has the discretion to purchase securities across various industry groups with the objective of outperforming the Russell Mid Cap Value index.

STANDARDS OF PERFORMANCE

WEDGE is expected to meet the following performance standards:

- Total portfolio return must exceed that of the Russell Mid Cap Value index net of management fees.
- Total portfolio results should average in the top half of results from a comparable manager universe.

The period for investment evaluation will be over a five year period and will normally include a market cycle unless the interim results are significantly below expectations.

The benchmark identified in this statement of investment policy and guidelines is for manager evaluation and comparative purposes only. While WEDGE's objective is to outperform the stated benchmark, it does not imply that the portfolio will share, or attempt to share, the same or similar characteristics of the benchmark, or any attempt to track the benchmark. It is understood that WEDGE may vary significantly from benchmark characteristics, including among other things, diversification by sector or sub sector, industry or geography, security concentration, credit rating and duration.

RESTRICTIONS

WEDGE is expected to exercise fiduciary responsibility in the overall management of the portfolio. Acceptable securities include all domestic common and preferred securities, securities that may be converted into or exchanged for stock (such as convertible debt and preferred stock) listed on an established exchange (including NASDAQ). Foreign common stocks listed on an U.S. exchange in dollar denominated issues and American Depository Receipts (ADRs) are permitted up to 20% of the

portfolio at market value. 144A securities (with or without registration rights) which are deemed liquid by the investment manager are permitted up to 20% of the portfolio at market. Futures or Exchange Traded Funds (ETFs) are permissible in order to equitize a short-term cash position. WEDGE may purchase up to 5% at a time of investment and accumulate up to 10% at market in any one security.

The following instruments are prohibited:

- Derivatives
- Commodities or commodity futures
- Private placements or other securities not readily marketable
- Securities purchased on margin
- Puts, calls, straddles or hedging
- Warrants or other options except when acquired as part of purchase of another security
- Short selling

Appendix B
Artisan Partners Limited Partnership
Mid Capitalization Growth
Investment Policy and Guidelines

The purpose of this document is to establish a clear understanding between the County of Los Angeles Deferred Compensation and Thrift Plan and Artisan Partners Limited Partnership (Artisan) with respect to the investment policies and objectives of the assets assigned to Artisan for investment management. The policy is intended to provide risk policies to guide Artisan toward long-term rate of return objectives that will serve as standards for evaluating investment performance. The policy will also establish the investment restrictions to be placed upon Artisan.

OBJECTIVE

To provide capital appreciation and to provide diversification to the equity options offered to participants. Artisan is retained to manage a portfolio consisting primarily of domestic mid cap growth equity securities. Artisan has the discretion to purchase securities across various industry groups with the objective of outperforming the Russell Mid Cap Growth index.

STANDARDS OF PERFORMANCE

Artisan is expected to meet the following performance standards:

- Total portfolio return must exceed that of the Russell Mid Cap Growth index net of management fees.
- Total portfolio results should average in the top half of results from a comparable manager universe.

The period for investment evaluation will be over a five year period and will normally include a market cycle unless the interim results are significantly below expectations.

The benchmark identified in this statement of investment policy and guidelines is for manager evaluation and comparative purposes only. While Artisan's objective is to outperform the stated benchmark, it does not imply that the portfolio will share, or attempt to share, the same or similar characteristics of the benchmark, or any attempt to track the benchmark. It is understood that Artisan may vary significantly from benchmark characteristics, including among other things, diversification by sector or sub sector, industry or geography, security concentration, credit rating and duration.

RESTRICTIONS

Artisan is expected to exercise fiduciary responsibility in the overall management of the portfolio. Acceptable securities include all domestic common and preferred securities, securities that may be converted into or exchanged for stock (such as convertible debt and preferred stock) listed on an established exchange (including NASDAQ). Foreign common stocks listed on an U.S. exchange in dollar denominated issues and American Depository Receipts (ADRs) are permitted up to 10% of the portfolio at market value at

the time of purchase. 144A securities (with or without registration rights) which are deemed liquid by the investment manager are permitted up to 20% of the portfolio at market. Futures or Exchange Traded Funds (ETFs) are permissible in order to equitize a short-term cash position. Artisan may purchase up to 5% at a time of investment and accumulate up to 10% at market in any one security.

The following instruments are prohibited:

- Derivatives
- Commodities or commodity futures
- Private placements or other securities not readily marketable
- Securities purchased on margin
- Puts, calls, straddles or hedging
- Warrants or other options except when acquired as part of purchase of another security
- Short selling

Appendix B
 TCW/Met West
 Core Fixed Income
 Investment Policy and Guidelines

The purpose of this document is to establish a clear understanding between the County of Los Angeles Deferred Compensation and Thrift Plan and The TCW Group, Inc./Metropolitan West Asset Management, LLC (TCW/MetWest) with respect to the investment policies and objectives of the assets assigned to TCW/MetWest for investment management. The policy is intended to provide risk policies to guide TCW/MetWest toward long-term rate of return objectives that will serve as standards for evaluating investment performance. The policy will also establish the investment restrictions to be placed upon TCW/MetWest.

OBJECTIVE

To provide diversification to the fixed income investment option offered to participants. TCW/MetWest is retained to manage a portfolio consisting of domestic fixed income securities. TCW/MetWest has the discretion to purchase securities with the objective of producing a total rate of return that exceeds the Bloomberg U.S. Aggregate Bond index.

STANDARDS OF PERFORMANCE

TCW/MetWest is expected to meet the following performance standards:

- Total portfolio return must exceed that of the Bloomberg U.S. Aggregate Bond index net of management fees.
- Total portfolio results should average in the top half of results from a comparable manager universe.

The period for investment evaluation will be a five year period and will normally include a market cycle unless the interim results are significantly below expectations.

The benchmark identified in this statement of investment policy and guidelines is for manager evaluation and comparative purposes only. While TCW/MetWest's objective is to outperform the stated benchmark, it does not imply that the portfolio will share, or attempt to share, the same or similar characteristics of the benchmark, or any attempt to track the benchmark. It is understood that TCW/MetWest may vary significantly from benchmark characteristics, including among other things, diversification by sector, industry, security concentration, credit rating and duration.

RESTRICTIONS

TCW/MetWest is expected to exercise fiduciary responsibility in the overall management of the portfolio. Acceptable securities include all U.S. government and agency securities, credit securities, structured securities, short-term and cash equivalents investments. Additionally, futures, options and swap agreements are acceptable for duration/yield curve management or hedging purposes only.

The portfolio's average credit rating must be "A/A2" or higher. The minimum quality rating at the time of purchase must be "BBB/Baa3" or above as rated by one nationally recognized rating agency. All cash equivalents must be of high quality, meaning the security must carry a short-term rating of at least A-1 or P-1. In the event that a security is downgraded, TCW/MetWest maintains discretion to hold the security. However, TCW/MetWest shall provide notice when a security has been downgraded below investment grade. Additionally, on a monthly basis TCW/MetWest shall provide a list of securities that are out of compliance with the credit standards set forth in this policy.

With the exception of the U.S. government, federal agencies and government-sponsored enterprises, the portfolio will not invest more than 2.5% of its assets (at market) in the securities of any single issuer. Investments in private placements or 144A securities shall be limited to 20% or less of the portfolio at market. Investments in mortgage derivative securities (i.e., IOs, POs, or Inverse Floaters) shall be limited to 5% or less of the portfolio's market value.

The following instruments are prohibited:

- Common stock
- Non-dollar securities

Appendix B
Phocas Financial Corporation
Small Capitalization Value
Investment Policy and Guidelines

The purpose of this document is to establish a clear understanding between the County of Los Angeles Deferred Compensation and Thrift Plan and Phocas Financial Corporation (Phocas) with respect to the investment policies and objectives of the assets assigned to Phocas for investment management. The policy is intended to provide risk policies to guide Phocas toward long-term rate of return objectives that will serve as standards for evaluating investment performance. The policy will also establish the investment restrictions to be placed upon Phocas.

OBJECTIVE

To provide capital appreciation and to provide diversification to the equity options offered to participants. Phocas is retained to manage a portfolio consisting primarily of domestic small cap value equity securities. Phocas has the discretion to purchase securities across various industry groups with the objective of outperforming the Russell 2000 Value index.

The primary objectives for the portfolio are:

- To remain fully invested with cash positions held to a reasonable minimum.
- To meet or exceed the performance standards set forth below.

STANDARDS OF PERFORMANCE

Phocas is expected to meet the following performance standards:

- Total portfolio return must exceed that of the Russell 2000 Value index net of management fees.
- Total portfolio results should average in the top half of results from a comparable manager universe.

The period for investment evaluation will be over a three to five year period and will normally include a market cycle unless the interim results are significantly below expectations.

The benchmark identified in this statement of investment policy and guidelines is for manager evaluation and comparative purposes only. While Phocas's objective is to outperform the stated benchmark, it does not imply that the portfolio will share, or attempt to share, the same or similar characteristics of the benchmark, or any attempt to track the benchmark. It is understood that Phocas may vary significantly from benchmark characteristics, including, among other things, diversification by sector or sub sector, industry or geography, security concentration, credit rating and duration.

RESTRICTIONS

Phocas is expected to exercise fiduciary responsibility in the overall management of the portfolio. Acceptable securities include all domestic common and preferred securities,

securities that may be converted into or exchanged for stock (such as convertible debt and preferred stock) listed on an established exchange (including NASDAQ). Foreign common stocks listed on a U.S. exchange in dollar denominated issues and American Depository Receipts (ADRs) are permitted up to 20% of the portfolio at market value. 144A securities (with or without registration rights) which are deemed liquid by the investment manager are permitted up to 20% of the portfolio at market. Futures or Exchange Traded Funds (ETFs) are permissible in order to equitize a short-term cash position. Phocas may purchase up to 5% at a time of investment and accumulate up to 10% at market in any one security. The portfolio, at the time of purchase, may not invest more than 20% in any one industry, and 35% in any one sector.

The following instruments are prohibited including any forms of leverage:

- Derivatives
- Commodities or commodity futures
- Private placements or other securities not readily marketable
- Securities purchased on margin
- Puts, calls, straddles or hedging
- Warrants or other options except when acquired as part of a purchase of another security
- Short selling

Appendix B
William Blair Investment Management, LLC
Mid Capitalization Growth
Investment Policy and Guidelines

The purpose of this document is to establish a clear understanding between the County of Los Angeles Deferred Compensation and Thrift Plan and William Blair Investment Management, LLC (William Blair) with respect to the investment policies and objectives of the assets assigned to William Blair for investment management. The policy is intended to provide risk policies to guide William Blair toward long-term rate of return objectives that will serve as standards for evaluating investment performance. The policy will also establish the investment restrictions to be placed upon William Blair.

OBJECTIVE

To provide capital appreciation and to provide diversification to the equity options offered to participants. William Blair is retained to manage a portfolio consisting primarily of domestic mid cap growth equity securities. William Blair has the discretion to purchase securities across various industry groups with the objective of outperforming the Russell Mid Cap Growth index.

The primary objectives for the portfolio are:

- To remain fully invested with cash positions held to a reasonable minimum.
- To meet or exceed the performance standards set forth below.

STANDARDS OF PERFORMANCE

Denver is expected to meet the following performance standards:

- Total portfolio return must exceed that of the Russell Mid Cap Growth index net of management fees.
- Total portfolio results should average in the top half of results from a comparable manager universe.

The period for investment evaluation will be over a five year period and will normally include a market cycle unless the interim results are significantly below expectations.

The benchmark identified in this statement of investment policy and guidelines is for manager evaluation and comparative purposes only. While William Blair's objective is to outperform the stated benchmark, it does not imply that the portfolio will share, or attempt to share, the same or similar characteristics of the benchmark, or any attempt to track the benchmark. It is understood that William Blair may vary significantly from benchmark characteristics, including, among other things, diversification by sector or sub sector, industry or geography, security concentration, credit rating and duration.

RESTRICTIONS

William Blair is expected to exercise fiduciary responsibility in the overall management of the portfolio. Acceptable securities include all domestic common and preferred securities, securities that may be converted into or exchanged for stock (such as

convertible debt and preferred stock) listed on an established exchange (including NASDAQ). Foreign common stocks listed on an U.S. exchange in dollar denominated issues and American Depository Receipts (ADRs) are permitted up to 20% of the portfolio at market value. 144A securities (with or without registration rights) which are deemed liquid by the investment manager are permitted up to 20% of the portfolio at market. Futures or Exchange Traded Funds (ETFs) are permissible in order to equitize a short-term cash position. William Blair may purchase up to 5% at a time of investment and accumulate up to 10% at market in any one security.

The following instruments are prohibited:

- Derivatives
- Commodities or commodity futures
- Private placements or other securities not readily marketable
- Securities purchased on margin
- Puts, calls, straddles or hedging
- Warrants or other options except when acquired as part of purchase of another security

Appendix B
Rice Hall James & Associates, LLC
Small Capitalization Growth
Investment Policy and Guidelines

The purpose of this document is to establish a clear understanding between the County of Los Angeles Deferred Compensation and Thrift Plan and Rice Hall James & Associates, LLC (Rice Hall James) with respect to the investment policies and objectives of the assets assigned to Rice Hall James for investment management. The policy is intended to provide risk policies to guide Rice Hall James toward long-term rate of return objectives that will serve as standards for evaluating investment performance. The policy will also establish the investment restrictions to be placed upon Rice Hall James.

OBJECTIVE

To provide capital appreciation and to provide diversification to the equity options offered to participants. Rice Hall James is retained to manage a portfolio consisting primarily of domestic small cap growth equity securities. Rice Hall James has the discretion to purchase securities across various industry groups with the objective of outperforming the Russell 2000 Growth index.

The primary objectives for the portfolio are:

- To remain fully invested with cash positions held to a reasonable minimum.
- To meet or exceed the performance standards set forth below.

STANDARDS OF PERFORMANCE

Rice Hall James is expected to meet the following performance standards:

- Total portfolio return must exceed that of the Russell 2000 Growth index net of management fees.
- Total portfolio results should average in the top half of results from a comparable manager universe.

The period for investment evaluation will be over a three to five year period and will normally include a market cycle unless the interim results are significantly below expectations.

The benchmark identified in this statement of investment policy and guidelines is for manager evaluation and comparative purposes only. While Rice Hall James' objective is to outperform the stated benchmark, it does not imply that the portfolio will share, or attempt to share, the same or similar characteristics of the benchmark, or any attempt to track the benchmark. It is understood that Rice Hall James may vary significantly from benchmark characteristics, including, among other things, diversification by sector or sub sector, industry or geography, security concentration, credit rating and duration.

RESTRICTIONS

Rice Hall James is expected to exercise fiduciary responsibility in the overall management of the portfolio. Acceptable securities include all domestic common and preferred securities, securities that may be converted into or exchanged for stock (such as convertible debt and preferred stock) listed on an established exchange (including NASDAQ). Foreign common stocks listed on a U.S. exchange in dollar denominated issues and American Depositary Receipts (ADRs) are permitted up to 20% of the portfolio at market value. 144A securities (with or without registration rights) which are deemed liquid by the investment manager are permitted up to 20% of the portfolio at market. Futures or Exchange Traded Funds (ETFs) are permissible in order to equitize a short-term cash position. Rice Hall James may purchase up to 5% at a time of investment and accumulate up to 10% at market in any one security.

The following instruments are prohibited including any forms of leverage:

- Derivatives
- Commodities or commodity futures
- Private placements or other securities not readily marketable
- Securities purchased on margin
- Puts, calls, straddles or hedging
- Warrants or other options except when acquired as part of a purchase of another security
- Short selling

Appendix C

Stable Income Investment Policy Statement

PURPOSE

The purpose of the Stable Income Fund (Fund) is to provide participants of the County of Los Angeles Horizons Plan (the Plan) the opportunity to accumulate capital through a fixed income investment vehicle in a tax-advantaged environment by emphasizing current income.

OBJECTIVES

The primary objective of the Fund is the preservation of capital. The secondary objective of the Fund is to generate current income with limited volatility in the book value of Fund assets. To achieve these objectives, the Fund must meet the following participant expectations:

- safety of principal;
- high real rate of return consistent with safety of principal;
- book value liquidity in accordance with Plan provisions; and
- responsiveness to changing interest rate environments.

The Fund will provide all participants with one blended rate of interest. The Fund's blended interest rate will reflect the dollar-weighted average of the interest rates applicable to each investment held by the Fund, and will be credited to all participants in the Fund, regardless of the timing of contributions or other cash flows. All contracts will permit benefit payments and in-service withdrawals which are authorized by the Plan including participant-directed investment transfers to the Plan's other investment options.

INVESTMENT STRATEGY

The following target asset allocation strategy has been adopted for the Fund:

- 3% Bloomberg U.S. Treasury Bellwether 3-Month Index
- 47% Invesco Custom Short-Term Bond Index
- 30% Invesco Custom Intermediate Bond Index
- 20% Invesco Custom Core Bond Index

These target allocations will be subject to variation given the market environment and Fund cash flows.

INSURANCE COMPANY MINIMUM CREDIT QUALITY CRITERIA

At the time of purchase, insurance companies selected by the Fund will meet the following criteria:

For General Obligation Investments

- An “A” (Excellent) or higher rating from A.M. Best Company or a comparable rating from Fitch, Moody’s or Standard & Poor’s (S&P).
- Invested assets of at least \$2.0 billion and adjusted policyholder surplus of \$200 million.
- At least two Claims-Paying Ability type ratings from the major rating services A.M. Best Company, Fitch, Moody’s, and S&P.
- An average Claims-Paying Ability Rating of at least “AA-/Aa3” from S&P, Fitch or Moody’s.
- Claims-Paying Ability Rating from any of the above agencies cannot be less than “A+/A1.”
- Risk Based Capital Ratio must be 250% or greater.

For Non-General Obligation Investments

- An “A” (Excellent) or higher rating from A.M. Best Company or a comparable rating from Fitch, Moody’s or S&P.
- Invested assets of at least \$2.0 billion and adjusted policyholder surplus of \$200 million.
- At least two Claims-Paying Ability type ratings from the major rating services A.M. Best Company, Fitch, Moody’s, and S&P.
- An average Claims-Paying Ability Rating of at least “A/A2” from S&P, Fitch or Moody’s.
- Claims-Paying Ability Rating from any of the above agencies cannot be less than “A-/A3.”
- Risk Based Capital Ratio must be 250% or greater.

BANKS

At the time of purchase, Banks utilized as wrap providers by the Fund will meet the following criteria:

- An average Long-Term Counterparty/Issuer Rating of at least “A/A2” from S&P and Moody’s.
- Any Long-Term Counterparty/Issuer Rating cannot be less than “A-/A3.”
- Assets of at least \$10 billion.

APPROVED INVESTMENTS

In general, the assets may be various high-quality fixed income investments that, in the aggregate, will provide stable account values.

A. INVESTMENT CONTRACTS

Investment contracts selected for the Fund are those that are acceptable to the Investment Manager considering creditworthiness, contract features, and administrative capabilities at the time of purchase. Investment contracts contain provisions requiring the issuing institution to provide plan-permitted liquidity from the Fund as needed to satisfy participant-initiated withdrawal requests without reflecting changes in capital value in the amounts withdrawn; provided that the withdrawals are made in accordance with the terms of the investment contracts.

(1) Traditional Investment Contracts (including GICs)

Approved traditional investment contracts, including guaranteed investment contracts (GICs), may be purchased from insurance companies, banks, or other institutions. A traditional investment contract is a direct obligation backed by the creditworthiness of the issuing entity.

(2) Separate Account Contracts

Approved separate account contracts may be purchased from insurance companies. The investment performance of these contracts is typically related to a portfolio of investments held inside the separate account. The assets are held in a separate account, are owned by the contract issuer and are protected from other creditors of the issuer. The acceptable assets held in separate account contracts are described in Section B Acceptable Assets below.

(3) Security Backed Investment Contracts (Synthetic GICs)

Approved security backed investment contracts (synthetic GICs, or “wrap” contracts) may be purchased from insurance companies, banks, or other financial institutions. The investment performance of these contracts is typically related to a portfolio of investments owned by the Fund covered by the contract. The acceptable assets held inside security investment contracts are described in Section B Acceptable Assets below.

B. ACCEPTABLE ASSETS

Acceptable assets include ERISA-eligible, U.S. dollar denominated, publicly or privately issued fixed-, floating- or variable-rate obligations of the following entities or types:

- U.S. Treasury
- U.S. agency or government-sponsored entity
- Mortgage pass-through securities (MBS), including To-Be-Announced (TBA) mortgage rolls
- Structured securities issued by various kinds of trusts, such as:

- commercial mortgage-backed securities (CMBS)
 - collateralized mortgage obligations (CMO)
 - asset backed securities (ABS)
- U.S. or non-U.S. corporations
- Municipalities
- Trusts, including but not limited to, trust preferred securities, asset-backed securities, REMICs and units in a group trust, private placement funds or in any similar pooled or collective investment fund.
- Shares of a regulated investment company
- Foreign government entities
- Mortgage-backed collateral
- Fixed income derivatives, such as futures, forwards, options or swap agreements (including, without limitation, interest rate swaps, total return swaps and credit default swaps)
- Short-term investments (maturing, or invested in instruments maturing, in less than 12 months), including:
 - (1) U.S. Treasury and U.S. agency-issued securities
 - (2) Certificates of deposit and bankers' acceptances of U.S. banks
 - (3) Commercial paper
 - (4) Bank or other financial institution short-term investment accounts, including such accounts maintained by the Plan's trustee bank
- Repurchase agreements, provided that they are no longer than 90 days and have collateral that is marked to market daily.
- Other securities not listed above that are or become represented in the indices applicable to pooled or commingled investment funds and insurance company separate accounts utilized in the Fund as permitted in this Section B, provided that other constraints in these guidelines are not violated.

C. CREDIT QUALITY AND DIVERSIFICATION

- Traditional Investment Contract issuers must, at the time of purchase, be rated at least Aa3/AA- by Moody's, S&P, or other Nationally Recognized Statistical Rating Organization (NRSRO) and approved by the Investment Manager. The maximum percentage of the Fund invested with a Traditional Investment Contract issuer shall not exceed 10% of the Fund at the time of purchase. The maximum percentage of the Fund invested in Traditional Investment Contracts shall not exceed 25% of the Fund at the time of purchase.
- Separate Account Contract issuers must be approved by the Investment Manager at the time of purchase. The maximum percentage of the Fund invested with a specific Separate Account Contract issuer shall not exceed 25% of the Fund at the time of purchase.
- Security Backed Investment Contract issuers ("wrap" issuers) must be approved by the Investment Manager at the time of purchase. The maximum percentage

of the Fund invested with a specific Security Backed Investment Contract issuer shall not exceed 25% of the Fund at the time of purchase.

- Acceptable Assets as described in Section B above must be rated at least investment grade or equivalent by Moody's, S&P, or other NRSRO at the time of purchase. In the case of units in a group trust, private placement fund or in any similar pooled or commingled fund and insurance company separate account included in the Fund or shares of a regulated investment company as provided in Section B above, the dollar-weighted average credit quality of such fund's investments must be at least Aa3/AA- by Moody's, S&P or other NRSRO. Short-term investments as provided in Section B above must be rated at least A-1/P-1 at time of purchase. In the case of a split rated security, the higher rating applies.
- The Fund will maintain diversification across the various sectors of the fixed income market subject to the following maximum allocation constraints:

Sector	Maximum Allocation
Cash	100%
Treasuries	95%
Agencies	25%
Corporates	40%
Mortgage Backed Securities	55%
Commercial Mortgage Backed Securities	20%
Asset Backed Securities	30%
Municipals	10%
Dollar Denominated Sovereign Debt	20%

- The Fund's investment with any specific investment manager may not exceed 25% of the Fund's assets.
- The minimum average credit quality of the Fund's investments must be Aa2/AA by Moody's, S&P, or other NRSRO.

D. DURATION

The Fund shall normally be managed with a weighted average duration of not less than two nor more than four years. Short-term investments must be included in the calculation of the Fund's duration. While a range of two to four years is indicated, the Fund will be managed opportunistically, consistent with the investment objectives set forth above.

The Investment Manager is permitted to manage the Fund with a duration as short as zero if it judges that such action is prudent to protect principal in the Fund.

E. OTHER CONSTRAINTS

The Investment Manager may use derivatives to replicate cash investments, manage yield curve or other risk positions, and to pursue investment strategies generally allowed under these guidelines. In no instance can derivatives be used in a manner inconsistent with the other constraints herein. That is, the use of derivatives must abide by the duration, credit quality, and all other constraints under these guidelines. At no time are derivatives to be used to leverage the Fund's investment.

F. LIQUIDITY MANAGEMENT

In addition to holding short-term investments or other fixed income vehicles allowing ready access to cash for the Fund's liquidity needs, the Investment Manager may utilize other liquidity tools such as lines of credit and other appropriate borrowing arrangements on behalf of the Fund. These vehicles may be used as short-term measures to provide cash as needed for honoring Plan participant withdrawal and transfer requests.

REVIEW PROCEDURES – TOTAL FUND

Review performance no less frequently than annually based on the standards of measurement defined below:

- **Diversification:** The Fund's diversification objective is to limit the amount invested with any financial institution to 25% of the Fund's assets. In addition, the Fund's allocation of assets to any issuer of general obligation contracts shall not exceed 10% of the Fund's assets and may not represent more than 1% of an issuing institution's admitted assets.
- **Duration:** The dollar-weighted duration of the Fund is to be maintained between two and four years.
- **Credit Quality:** The Fund will maintain a weighted average quality rating of "AA" ("Aa2") or better. This rating will reflect the average Claims-Paying Ability Ratings for insurance companies and the average rating for underlying assets in synthetic contracts and separate account contracts.
- **Performance:** Performance will be evaluated on both a book value and on a market value basis. On a book value basis, over rolling three-year periods, the net total return of the Fund will be evaluated against the following minimum standards.

(1) The return on 3-month United States Treasury Bills plus 1.5%

(2) The return on 5-year United States Treasury Constant Maturity Series

The expected performance pattern will be a lag in rate responsiveness. That is, during periods of rising rates, the Fund's yield will normally increase more slowly than market rates, and during periods of falling rates the yield will decline more slowly than market rates. Over the course of a full interest rate cycle (3 to 5 years), the rate of return should equal or exceed the average rate for comparable maturity securities.

On a market value basis, performance will be evaluated on the Total Fund. The specific blended market value benchmark index will be:

3% Bloomberg US Treasury Bellwether 3-month Index
<p>47% Invesco Custom Short-Term Bond Index, which is a composite of:</p> <ul style="list-style-type: none"> • 25% Bloomberg 1-3 Year US Treasury • 10% Bloomberg USD Corporate Bond 1-5 Year • 10% Bloomberg US MBS • 10% Bloomberg 15-Year MBS • 15% Bloomberg CMBS ERISA Eligible Aaa 1-3.5 Year • 5% Bloomberg ABS Floating Rate Aaa • 25% Bloomberg Aaa ABS
<p>30% Invesco Custom Intermediate Bond Index, which is a composite of:</p> <ul style="list-style-type: none"> • 30% Bloomberg Intermediate US Treasury • 30% Bloomberg USD Corporate Bond 1-5 Year • 10% Bloomberg Intermediate Corporate • 25% Bloomberg US MBS • 5% Bloomberg CMBS ERISA Eligible AAA
<p>20% Invesco Custom Core Bond Index, which is a composite of:</p> <ul style="list-style-type: none"> • 15% Bloomberg 1-5 Year US Treasury • 20% Bloomberg Intermediate US Treasury • 35% Bloomberg US Corporate Investment Grade • 25% Bloomberg US MBS • 5% Bloomberg CMBS ERISA Eligible AAA

On a market value basis, performance will also be evaluated on the underlying investment portfolios. The underlying investment portfolios are expected to exceed the performance of their appropriate benchmark index on a net-of-fee basis over the trailing 3- and 5-year periods.

Performance comparisons will be used to determine whether the current strategy for the Fund is achieving the stated objectives. In addition, the rates of return achieved by the Fund, on an absolute basis, will be monitored to determine if it remains a viable investment option for the Plan relative to other investment alternatives.

Appendix D Transition Guidelines

Objective

The purpose of this transition management policy is to establish an effective and efficient procedure for transitioning assets during manager replacement, funding a new asset class or investment manager or the restructuring of the investment options.

The Transition Manager (the “Manager”) will receive a portfolio (the “Portfolio”) of assets and shall seek to restructure the Portfolio to accomplish one of the following: a) to resemble and approximately track the performance of an index; b) to match as closely as possible a model portfolio provided to Manager; or c) another goal as specified by the Deferred Compensation and Thrift Plan (the “Plan”) in a manner that will minimize total transaction costs (commissions plus market impact).

Transition Details

It is expected that the Manager will provide a pre-trade analysis that includes the following:

- The approximate amount of assets to be transitioned
- Base Currency (i.e., currency into which sale proceeds that are not reinvested should be converted)
- Target date(s) for completion of the transition of the Portfolio
- Total transaction costs including commissions and market impact
- Benchmarks for assessing the success of the transition
- Performance guarantee
- Investment Restrictions (if any)

The Plan acknowledges that certain securities in the Portfolio may be difficult to liquidate due to certain factors not within the control of Manager, including volume constraints. Unless otherwise directed, Manager will take an incremental approach to the liquidation of such securities to attempt to minimize transaction and market impact costs.

During the course of the transition, there is no limit on the percentage of assets that may be in cash. Proceeds of sales and any other cash that is not needed by Manager for reinvestment will be converted to the Base Currency and transferred out of the Portfolio as directed by the Plan.

Manager will not liquidate a security it has purchased (e.g., as part of the restructured portfolio) without the consent of the Plan.

Affiliate Transactions

Manager is instructed to undertake cross-trading with other investment funds, accounts or portfolios sponsored, maintained, trusted, or managed by Manager or any affiliate of

Manager to the extent permitted by law. The Plan acknowledges that it has been fully informed of the cross-trading techniques which will be utilized for the Portfolio by the Manager.

The Plan has authorized Manager to trade through Manager's affiliated brokers.

Reporting and Reconciliation

Manager will provide a report at mutually agreed intervals that summarizes the activities and results of the transition. The report will include the amount of trade proceeds, a breakdown of assets traded and of the kind of trading done (e.g., trades crossed within the firm and externally, and traded in the open market) and their costs. Manager will also include a comparison of the Pre-Bid Analysis and Post Trading Report which reports on the performance of any liquidation or restructuring and the costs associated therewith as determined by the implementation shortfall. Manager will provide analysis associated with the performance guarantee provided as part of the pre-trade analysis.

Manager will periodically reconcile its accounting of transactions, security positions and cash to the Plan's custodian's records. The Plan shall instruct its custodian to provide all necessary information and cooperation to Manager to facilitate Manager's reconciliation.

Appendix E Proxy Policy Statement

This statement sets forth the guidelines of the County of Los Angeles Deferred Compensation and Thrift Plan (the Plan) regarding the voting of client proxies.

The Plan's policy is designed to reflect the fiduciary duty to vote proxies in favor of shareholder interests. In determining our vote, we will not subordinate the economic interest of the plan participants to any other entity or interested party.

The Plan directs its Proxy Voting Agent to cast its proxies in a timely manner solely in the interests of the participants and beneficiaries of the Plan for the exclusive purpose for providing benefits to participants and their beneficiaries and defraying the reasonable expenses of administering the Plan with care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity familiar with such matters would use in the conduct of an enterprise of like character and with like aims in accordance with the documents and instruments governing the Plan.

Each proxy will be reviewed on a case-by-case basis with final decisions based on the merits of each case. In reviewing the proxy issues, we will use the following Issue Guidelines for each of the categories of issues listed below. If any conflicts of interest should arise, the Proxy Voting Agent will resolve them pursuant to the steps prescribed in the Administrative Procedures section below.

Issue Guidelines

Election of Directors

The members of the boards of directors are elected by shareholders to represent the shareholders' interests. This representation is most likely to occur if two-thirds of the members are independent outsiders as opposed to insider directors (such as long-tenured directors of 10 years or more, senior management employees, former employees, relatives of management or contractors with the company). If two-thirds of the board is not represented by independent outsiders, a vote will usually be cast to withhold authority on the inside directors.

Boards should be composed of directors who, collectively, are best equipped to effectively oversee the company's strategy for creating and protecting firm value. Accordingly, we encourage board diversity. Diverse perspectives, skills, expertise, and backgrounds may enhance the board's decision-making and ability to exercise prudent oversight on shareowners' behalf. We view diversity broadly and believe diverse boards may encompass considerations such as professional background, expertise, skills, age, race, gender, ethnicity, geography, sexual orientation, and gender identity. Board nominating policies and practices should define and reflect the board's view of diversity.

Other factors that will be considered when reviewing candidates will be the number of corporate boards on which they already serve (CEOs should serve on no more than one other corporate board; while non-CEO directors with fulltime jobs should serve on no more than three other boards and no individual should serve on more than five other boards), whether they have pledged a substantial amount of company stock, their performance on committees and other boards, the company's short-term and long-term financial performance under the incumbent candidates, the company's responsiveness to shareholder concerns (particularly the responsiveness to shareholder proposals that were approved by a majority of shareholders in the past 12 months) and other important corporate constituents, the overall conduct of the company (e.g., excessive executive compensation, adopting anti-takeover provisions without shareholder approval) and not attending at least 75% of Board and Committee meetings unless there is a valid excuse. Votes may be cast against nominating committee members where companies fail to provide the criteria necessary to determine the composition of the board and whether it is sufficiently diverse.

Recently, more emphasis has been placed on the independence of key Board committees—audit, compensation and nominating committees. It is in the best interests of shareholders for only independent directors to serve on these committees. Votes will be withheld from any insider nominee who serves on these committees. Votes will also be cast against board chairs concurrently serving as CEOs or are otherwise non-independent. An independent chair helps avoid any conflicts of interest in the board's role of overseeing management.

Directors will not be supported where the board has failed in its oversight responsibilities (such as where there is significant corporate misbehavior, repeated financial restatements or inadequate responses to systemic risks including climate change that may have a material impact on performance).

In contested elections of directors, the competing slates will be evaluated upon the personal qualifications of the candidates, the quality of the strategic plan they advance to enhance long-term corporate value, management's historical track record, the background to the proxy contest and the equity ownership positions of individual directors.

Ratification of Auditors

The ratification of auditors used to be universally considered a routine proposal, but a disturbing series of audit scandals at publicly-traded companies and SEC-mandated disclosures that revealed auditors were being paid much more for "other" work at companies in addition to their "audit" work have demonstrated that the ratification of auditors needs to be scrutinized as much as the election of directors.

Although the Sarbanes-Oxley Act of 2002 attempted to address the issue of auditor conflicts of interest, it still allows auditors to do substantial "other" work (primarily in the area of taxes) for companies that they audit. Therefore, the Proxy Voting Agent will weigh the amount of the non-audit work and if it is so substantial as to give rise to a conflict of interest, it will vote against the ratification of auditors. Concern will be raised

if the non-audit work is more than 20% of the total fees paid to the auditors. Other factors to weigh will be if the auditors provide tax avoidance strategies, the reasons for any change in prior auditors by the company, and if the same firm has audited the company for more than seven years.

Routine Proposals

Routine proposals are most commonly defined as those which do not change the structure, by laws, or operation of the company to the detriment of the shareholders.

Traditionally, these issues include:

- Indemnification provisions for directors;
- Liability limitations of directors;
- Stock splits/reverse stock splits;
- Name changes.

Given the routine nature of these proposals, proxies will usually be voted with management. However, each will be examined carefully. For example, limitations on directors' liability will be analyzed to ensure that the provisions conform with the law and do not affect their liability for such actions as the receipts of improper personal benefits or the breach of their duty of loyalty. The analysis of a proposal to limit directors' liability would also take into consideration whether any litigation is pending against current board members.

Non-Routine Proposals

Issues in this category are more likely to affect the structure and operation of the company and, therefore will have a greater impact on the value of a shareholder's investment. We will review each issue in this category on a case-by-case basis.

As previously stated, voting decisions will be made based on the financial interest of the plan beneficiaries. Non-routine matters include:

Mergers/Acquisitions and Restructuring (See also Reincorporating/Inversions)

Our analysis will focus on the strategic justifications for the transaction and the fairness of any costs incurred.

Advisory Votes on Compensation Policies and Practices

To evaluate compensation policies and practices, the threshold query is "does a company's compensation reflect its performance?" This will be determined by how a company has performed for shareholders compared to its peer group as well as by how a company has compensated its executives compared to its peer group. Whether restricted stock awards are time vesting or performance vesting will also be taken into consideration. Additional queries will be made to determine the level of dilution in stock compensation plans, and to ascertain if golden parachutes have been awarded to executives and, if they have, whether they pay tax gross-ups. The ratio of pay to the CEO as compared to the average worker will also be taken into consideration as well as whether companies adjust GAAP metrics and the robustness of the explanatory disclosure. The threshold

query will carry the most weight, but the additional queries can be persuasive in the event the answer to the threshold query is not clear cut. There will also be an option as to whether the company should have these advisory votes on compensation on an annual basis or every two or three years. An annual basis is in the best interests of shareholders.

Advisory Votes on Severance Packages in Connection with Mergers/Acquisitions

The factors to weigh are whether the total payment is in excess of 2.99 times salary and bonus, whether excise taxes are grossed-up, if there is a double trigger for cash payments and whether the accelerated vesting of stock awards is excessive.

Fair-Price Provisions

These attempts to guard against two-tiered tender offers in which some shareholders receive less value for their stock than other shareholders from a bidder who seeks to take a controlling interest in the company. There can be an impact on the long-term value of holdings in the event shareholders do not tender. Such provisions must be analyzed on a case-by-case basis.

Reincorporating/Inversions

A company usually changes the state or country of its incorporation to take advantage of tax and corporate laws in the new state or country. These advantages should be clear and convincing and be supported by specific, legitimate business justifications that will enhance the company's long-term value to shareholders and will be weighed along with any loss in shareholder rights and protections (e.g., dilution of management accountability and liability, anti-takeover devices), reputational risk, damage to governmental relationships, adverse impact on the company's employees and erosion of the local/state/Federal tax base.

Changes in Capitalization

Our inquiry will study whether the change is necessary and beneficial in the long run to shareholders. Creation of blank check preferred stock, which gives the board broad powers to establish voting, dividend and other rights without shareholder review, will be opposed.

Increase in Preferred and Common Stock

Such increases can cause significant dilution to current shareholder equity and can be used to deter acquisitions that would be beneficial to shareholders. We will determine if any such increases have a specific, justified purpose and if the amounts of the increase are excessive.

Stock/Executive Compensation Plans

The purpose of such plans should be to reward employees or directors for superior performance in carrying out their responsibilities and to encourage the

same performance in the future. Consequently, the plan should specify that awards are based on the executive's/director's and the company's performance. In the case of directors, their attendance at meetings should also be a requirement. In evaluating such plans we will also consider whether the amount of the shares cause significant dilution (5% or more) to current shareholder equity, how broad based and concentrated the grant rates are, if there are holding periods, if the shares are sold at less than fair market value, if the plan contains change-in-control provisions that deter acquisitions, if the plan has a reload feature, and if the plan allow the repricing of "underwater" options.

Employee Stock Purchase Plans

These are broad-based plans, federally regulated plans which allow almost all fulltime and some part-time workers to purchase limited amounts of company stock at a slight discount. Usually the amount of dilution is extremely small. They will normally be supported because they do give workers an equity interest in the company and better align their interests with shareholders.

Creation of Tracking Stock

Tracking stock is designed to reflect the performance of a particular business segment. The problem with tracking stocks is they can create substantial conflicts of interest between shareholders, board members and management. Such proposals must be carefully scrutinized, and they should be supported only if a company makes a compelling justification for them.

Approving Other Business

Some companies seek shareholder approval of management being given broad authority to take action at a meeting without shareholder consent. Such proposals are not in the best interests of shareholders and will be opposed.

Corporate Governance Proposals

We will generally vote against any management proposal that is designed to limit shareholder democracy and has the effect of restricting the ability of shareholders to realize the value of their investment. Proposals in this category would include:

Golden Parachutes

These are special severance agreements that take effect after an executive is terminated following a merger or takeover. In evaluating such proposals, we will consider the salaries, bonuses, stock option plans and other forms of compensation already available to these executives to determine if the additional compensation in the golden parachutes is excessive. Shareholder proposals requesting that they be approved by shareholders will be supported.

Greenmail Payments

Greenmail is when a company agrees to buy back a corporate raider's shares at a premium in exchange for an agreement by the raider to cease takeover activity. Such payments can have a negative impact on shareholder value. Given that

impact, we will want there to be a shareholder vote to approve such payments and we will insist that there be solid economic justification before ever granting such approval.

Super Majority Voting

Some companies want a super majority (e.g., 66%) vote for certain issues. We believe a simple majority is generally in the best interest of shareholders and we will normally vote that way unless there is strong evidence to the contrary.

Dual Class Voting

Some companies create two classes of stock with different voting rights and dividend preferences. We will examine the purpose that is being used to justify the two classes as well as to whom the preferred class of stock is being offered. Proposals that are designed to entrench company management or a small group of shareholders at the expense of the majority of shareholders will not be supported. Proposals that seek to enhance the voting rights of long-term shareholders will be given careful consideration.

Fair Price Proposals

These require a bidder in a takeover situation to pay a defined “fair price” for stock. Our analysis will focus on how fairly “fair price” is defined and what other anti-takeover measures are already in place at the company that might discourage potential bids that would be beneficial in the long term to shareholders.

Classified Boards

These are boards where the members are elected for staggered terms. The most common method is to elect one-third of the board each year for three-year terms. We believe the accountability afforded by the annual election of the entire board is very beneficial to stockholders and it would take an extraordinary set of circumstances to develop for us to support classified boards.

Shareholders’ Right To Call Special Meetings and Act By Written Consent

These are important rights for shareholders and any attempts to limit or eliminate them should be resisted. Proposals to restore them should be supported.

Shareholder Proposals

Proposals submitted by shareholders for vote usually include issues of corporate governance and other non-routine matters. We will review each issue on a case-by-case basis in order to determine the position that best represents the financial interest of the plan beneficiaries. Shareholders matters include:

Poison Pill Plans

These plans are designed to discourage takeovers of a company, which can deny shareholders the opportunity to benefit from a change in ownership of the company. Shareholders have responded with proposals to vote on the plans or

to redeem them. In reviewing such plans, we check whether the poison pill plans were initially approved by shareholders and what anti-takeover devices are already in place at the company.

Independence of Boards and Auditors

The wave of corporate/audit scandals at the start of the 21st Century provided compelling evidence that it is in the best interests of shareholders to support proposals seeking increased independence of boards (e.g., requiring supermajority of independents on boards, completely independent nominating, compensation and audit committees, stricter definitions of “independence”, disclosures of conflicts of interest) and auditors (e.g., eliminate or limit “other” services auditors perform, rotation of audit firms). A related issue is the independence of analysts at investment banking firms. Proposals seeking to separate the investment banking business from the sell-side analyst research and IPO allocation process should be supported.

Cumulative Voting

This allows each shareholder to vote equal to the number of shares held multiplied by the number of directors to be elected to the board. Shareholders can then target all their votes for one of a few candidates or allocate them equally among all candidates. It is one of the few ways shareholders can attempt to elect board members. In studying cumulative voting proposals, we will review the company’s election procedures and what access shareholders have to the nominating and voting process.

Confidential Voting

Most voting of proxies in corporate America is not confidential. This opens the process to charges that management pressures shareholders or their investment managers to vote in accordance with management’s recommendations. We believe the concept of confidential voting is so fundamental to the democratic process and is so much in the best interest of shareholders that we would oppose it only in the most extraordinary circumstances.

Shareholder Access To the Proxy For Director Nominations

Proposals to provide shareholders access to the company proxy statement to advance non-management board candidates will generally be supported if they are reasonably designed to enhance the ability of substantial shareholders to nominate directors and are not being used to promote hostile takeovers.

Separate Chairperson and Chief Executive Officer

The primary purpose of the board of directors is to protect shareholder interests by providing independent oversight of management. If the Chair of the Board is also the Chief Executive Officer of the company, the quality of oversight is obviously hindered. Therefore, proposals seeking to require that an independent director serve as Chair of the Board will be supported. An alternative to this proposal would be the establishment of a lead independent director, who would

preside at meetings of the board's independent directors and coordinate the activities of the independent directors.

Term Limit For Directors

Proposals seeking to limit the term for directors will normally not be supported because they can deny shareholders the service of well-qualified directors who have effectively represented shareholder interests.

Broader Participation On Boards

A more diverse board of qualified directors is in the best interests of shareholders. Therefore, proposal requesting companies to make efforts to seek more qualified women and minority group members will be supported.

Greater Transparency and Oversight

Shareholders benefit from full disclosure of board practices and procedures, company operating practices and policies, business strategy, and the way companies calculate executive compensation. Proposals seeking greater disclosure on these matters will generally be supported.

Executive/Director Compensation

Proposals seeking to tie executive and director compensation to specific performance standards, to impose reasonable limits on it or to require greater disclosure of it are in the best interests of shareholders. The expense of options should be included in financial statements (as required in Canada). Financial performance is the traditional measurement for executive compensation—the more specific the better. Where executive pay is based on metrics that are improved through share repurchases, the impact of repurchases should be neutralized to avoid artificially inflating executive pay. Other performance measures can be a useful supplement to the traditional financial performance measurement and are worthy of consideration. Examples are regulatory compliance, international labor standards, high performance workplace standards and measures of employee satisfaction.

High Performance Workplaces

We will support proposals encouraging the high-performance workplace practices identified in the Department of Labor's report that contribute to a company's productivity and long-term financial performance.

Codes of Conduct

Proposals seeking reports on and/or implementation of such commonly accepted principles of conduct as the Ceres Principles (environment), MacBride Principles (Northern Ireland), Code of Conduct for South Africa, United Nations' International Labor Organization's Fundamental Conventions, fair lending practices and the U.S. Equal Employment Opportunity Commission are in the best interests of shareholders because they provide useful information and promote compliance with the principles.

Pension Choice

There has been a recent trend by companies to convert traditional defined benefit pension plans into cash-balance plans. This has proved controversial because cash-balance plans often hurt older workers and may be motivated by a company's desire to inflate its book profits by boosting surpluses in its pension trust funds. Proposals giving employees a choice between maintaining their defined benefits or converting to a cash-balance will generally be supported.

Say on Pay

Shareholders in the United Kingdom, Australia, Norway, the Netherlands and Sweden have had an advisory vote on companies' compensation reports for several years. Say on Pay proposals will be supported because they give shareholders meaningful input on a company's approach to executive compensation without entangling them with the micromanagement of specific plans.

Majority Vote Standard for Director Elections

For years, most boards of directors were elected by a plurality vote standard—nominees who get the most votes win. In a non-contested election (which most are) the only vote options are “for” and “withhold authority.” That means a nominee could have only one share cast “for” him/her and still be elected, regardless of how many shareholders withheld their votes for that nominee. Therefore, proposals requesting that nominees in non-contested elections receive a majority of the votes cast will be supported.

Administrative Procedures

The Plan approves the following procedures for receipt and voting of proxies by its Proxy Voting agent:

1. The Plan notifies the custodian bank to forward all proxies to its Proxy Voting Agent.
2. The Proxy Voting Agent tracks the portfolio to ensure current listing of all securities held.
3. The Proxy Voting Agent tracks the shareholders meeting dates to ensure that all proxies are voted on time.
4. The Proxy Voting Agent notifies the Plan's custodian of any missing or improper proxies to secure all proxies due the Fund.
5. The Proxy Voting Agent provides a report annually on shares voted and positions taken. The Plan is able to contact the Proxy Voting Agent at any time to find out how the Proxy Voting Agent has voted on a particular issue.

6. The Securities and Exchange Commission (SEC) has expressed concern that proxy-voting agents may have material conflicts that can affect how they vote proxies. The SEC notes that advisers may render services to a publicly traded company or they may have business or personal relationships with participants in proxy contests, corporate directors or candidates for directorships. Since the Plan's Proxy Voting Agent does not render services to publicly traded companies and we do have a comprehensive, detailed proxy voting policy that dictates the overwhelming majority of our votes, it is extremely unlikely that such material conflicts will arise. If they do, any employee of the Proxy Voting Agent will immediately recuse himself/herself from the analysis/voting of the pertinent issue and the Proxy Voting Agent's General Counsel will deal with the issue. If the Proxy Voting Agent's General Counsel also has a material conflict, the General Counsel will recuse himself/herself and refer the issue to the Proxy Voting Agent's President. If the Proxy Voting Agent's President also has a material conflict, the President will recuse himself/herself and the issue will be referred to the Proxy Voting Agent's outside law firm for resolution.
7. For SEC record keeping purposes, the Proxy Voting Agent will retain copies of (i) the Plan's proxy voting policies and procedures; (ii) proxy statements received as preserved through access to the SEC's EDGAR system; (iii) records of the votes it cast as preserved on the Proxy Voting Agent's proxy voting platform; (iv) records of the Plan's requests for proxy voting information; (v) documents the Proxy Voting Agent prepared material to making a decision on how to vote as preserved on the Proxy Voting Agent's proxy voting platform.

County of Los Angeles Savings Plan

Statement of Investment Policy

Adopted October 2021

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**COUNTY OF LOS ANGELES
SAVINGS PLAN
STATEMENT OF INVESTMENT POLICY**

1. INTRODUCTION

The County of Los Angeles established the Savings Plan in 1984. The Plan is subject to section 401(k) of the Internal Revenue Code. The Plan is intended to comply with the Internal Revenue Code of 1986, as amended and other applicable laws and regulations. The objective of the Plan is to enable participating employees to accumulate and invest savings on a tax advantaged basis in order to provide supplemental income upon retirement.

The Plan Administrative Committee (PAC) oversees and administers the Plan. The PAC developed this statement for the purpose of formalizing general investment guidelines for use in overseeing the selection, maintenance, reporting and removal of investment options under the Plan. This policy document records the conclusions reached by the PAC, after considerable care, to arrive at the most suitable combination of offered options in terms of expected risk and expected return. The intent of this policy is to facilitate the prudent management of the Plan's investment options. The purpose of this investment policy is to:

- Provide written guidelines for the PAC, investment consultant, and investment managers concerning the selection and design of investment options offered under the Plan.
- Describe the various investment options and their risk/return profiles.
- Outline the criteria and processes for the ongoing evaluation of the investment options and managers, and the documentation of such monitoring.
- Communicate pertinent information to investment managers, investment consultants, employees, participants and other interested parties.

The PAC will review this policy document annually for the purpose of assessing the need for any changes thereto. In addition, this policy may be amended from time to time by the PAC due to changing employee needs and market conditions or upon consideration of advice and recommendations from retained professionals such as investment consultants, attorneys, investment managers, etc. Any changes will be communicated to participants, investment managers, and others as appropriate.

2. PURPOSE OF THE PLAN

The Savings Plan was established in 1984. The Plan is a vehicle through which employees may accumulate and invest assets to provide for a portion of their retirement needs on a tax deferred basis. The PAC's goal is to provide participants with the ability

to invest pre-tax income in a broad range of investment options with diverse risk and return characteristics when establishing their retirement savings portfolios. The Plan was established for the exclusive benefit of employees who are participants and their beneficiaries.

3. INVESTMENT OBJECTIVES OF THE PLAN

It is necessary to recognize the important impact of rate of return to the accumulation of capital and that in the long run, high returns have been historically accompanied by high risk (volatility of returns) levels. It is also necessary to recognize that participants have different objective needs and levels of risk tolerance. An important objective of the Plan is to offer a range of options so participants are able to construct portfolios that are diversified by broad asset classes and by investment style within asset classes.

Participants bear the risk and benefit from the rewards of investment returns that result from both the options offered and the combination of options, which they select. Investment direction of employee and vested matching contributions are the responsibility of participants. Although the PAC selects and monitors the options that are being made available, participants are responsible for deciding which of the available choices are the most appropriate for their retirement savings needs.

Non-Vested matching contributions and unallocated accounts and reserves are invested by the PAC in existing investment options, as recommended by the County Treasurer. Currently these monies are invested in the Stable Value Fund.

The PAC recognizes that the various time horizons of Plan participants require that investment options possess the return and risk characteristics necessary for the achievement of participant needs.

It is the policy of the PAC to offer participants a reasonable range of investment choices for their accounts. These choices are on the long term, historical risk/return spectrum from lower return/lower risk to higher return/higher risk. The PAC recognizes that there is the possibility of the overall portfolio characteristics of the offered options changing over time and such changes could be due to investment style, absolute asset size of the portfolio, changes with the portfolio management team and/or investment management organization. In addition, the PAC will review the overall costs of the investments and administration. If such changes operate to the detriment of plan participants, by policy, the PAC will entertain the possibility of replacing such portfolio and/or investment option.

The PAC intends to provide participants a minimum of three broad risk/return categories:

- **Lower Risk Category** The objective of the fund(s) offered in this category is to provide current income, with capital preservation. Capital appreciation is not an objective of this investment category. Funds offered should have low probability of risk to capital.

- **Moderate Risk Category** The objective of the fund(s) offered in this category may range from primarily providing income plus capital appreciation to primarily providing long-term capital appreciation plus current income. Funds in this category can range from conservatively managed funds primarily invested in fixed income instruments providing income consistent with long term preservation of capital to funds managed more aggressively with a blend of fixed income and equity investments.
- **Higher Risk Category** The objective of the fund(s) offered in this category is to provide capital appreciation. Income may be a secondary objective. Funds in this category may invest primarily in a portfolio of common stocks.

The PAC will select certain funds for each category by using processes which exemplify prudent fiduciary standards. These standards will include the consideration of the investment approach of the fund manager, as well as the fund's historical performance, and volatility. The performance will be compared to appropriate indices and benchmarks. The impact of fees and expenses on the net return to Plan participants will also be evaluated.

The investment asset classes approved by the PAC are:

- Capital Preservation
- Bond/Fixed Income
- Inflation Protection
- Balanced/Target Date
- Large Capitalization Domestic Equity
- International Equity
- Mid Capitalization Domestic Equity
- Small Capitalization Domestic Equity

The current investment options offered in these asset classes are listed in the Appendix attached hereto. The approved asset classes as well as the options offered in each class may be changed from time to time at the PAC's discretion.

The PAC has approved the addition of a new Target Date Fund every five years. Each new Target Date Fund will follow the glide path of the existing Target Date Funds. The glide path of the maturing fund is designed to continue to change for ten years past the retirement date and at that point, it will be merged into the Retirement Income Fund.

In an effort to provide further investment flexibility, a self-directed brokerage option is offered in the Plan. The Plan's self-directed brokerage option allows participants to invest in any publicly-traded security, including stocks, bonds and mutual funds, with the following exceptions: tax-exempt mutual funds and tax-exempt fixed income securities, short sales, futures, options, limited partnerships, currency trading and trading on margin. In developing and maintaining the Plan's self-directed brokerage option, the PAC will evaluate the window provider for reasonable cost, fund availability, and competitive service capability. There will be periodic reviews to confirm competitiveness.

- \$25,000 core balance required for enrollment and to continue within the self-directed brokerage option.
- \$1,000 minimum for all transfers into the self-directed brokerage option.
- Permitted Investments:
 - Taxable mutual funds
 - Listed securities (NYSE, AMEX, NASDAQ)
 - Taxable fixed income securities
 - Treasuries

4. ROLES AND RESPONSIBILITIES

The following is a summary overview of the roles and responsibilities of the Plan’s administrator and service providers. The descriptions below are not intended to be exhaustive, and the actual responsibilities of the parties are set forth in the Plan ordinance, trust agreement and applicable contracts. In fulfilling their responsibilities, the parties below may act in a fiduciary capacity as reflected in the Plan ordinance, trust agreement or applicable contract(s), or to the extent that they otherwise exercise authority or control over the management or disposition of Plan assets, provide advice regarding the investment of Plan assets or exercise discretionary authority or control over Plan administration or management.

Plan Administrative Committee

The PAC is the designated fiduciary for the Plan and its primary investment-related responsibilities include the following: (i) preparing and maintaining this policy statement, (ii) prudently selecting, monitoring and removing/replacing investment managers and investment options as needed to provide participants with a sufficiently diverse investment menu, (iii) prudently selecting, monitoring and removing/replacing other service providers, including but not limited to the custodian bank and investment consultant, (iv) controlling and accounting for all investment, record keeping and administrative expenses associated with the Plan, (v) investing assets not otherwise directed by Plan participants, (vi) overseeing proxy voting. The PAC also has the authority to amend the language contained in this policy statement as needed.

As a Plan fiduciary, the PAC must comply with the fiduciary duties imposed under the common law of trusts, as informed by best practices¹ under the Employee Retirement Income Security Act of 1974 (ERISA), and the “exclusive benefit” rule under the Internal Revenue Code.

The PAC's fiduciary duties are of loyalty, prudence, and diversification. First, loyalty requires acting solely in the interests of Plan participants and beneficiaries, not prioritizing unrelated objectives. Second, prudence requires engaging in an adequate

¹ The PAC follows fiduciary guidance under ERISA as best practice when managing the Plans and making investment-related decisions. While the Plan is not subject to ERISA, ERISA is derived from the common law of trusts and modern investment theory, and, thus, provides relevant guidance on application of fiduciary principles. The Internal Revenue Code’s “exclusive benefit” rule applicable to the Plans further informs these fiduciary standards.

process, considering the relevant facts and circumstances, on which it bases a prudent decision. Third, diversification requires investing in a manner to protect against large losses and maximize risk-adjusted returns. Investment managers hired by the PAC to manage separate investment accounts are likewise subject to these fiduciary obligations regarding the Plan assets they manage.

Similarly, to retain the Plan's tax-favored status, the Internal Revenue Code requires that Plan assets be used for the exclusive benefit of participants and beneficiaries. The Internal Revenue Service has concluded that social investing that does not further the financial interests of Plan participants can violate this requirement.

Additionally, the California Constitution prohibits discrimination against, or granting preferential treatment to, any individual or group based on race, sex, color, ethnicity, or national origin, in the operation of public contracting. Consequently, the PACs cannot hire investment managers in such a manner as to violate this state law prohibition. Data collection on these characteristics, however, is permitted for statistical purposes, provided that the information is not used to grant preferential treatment to, or discriminate against, an individual or group.

In short, the primary focus of the PAC (and the investment managers hired by the PAC to invest Plan assets) must be on the financial benefits to Plan participants and beneficiaries balanced with an appropriate level of risk. The PAC (and investment managers) may not use Plan assets to promote non-financial (e.g.: political, environmental, social, issues involving corporate responsibility) considerations at the expense of the financial interests of the Plan's participants and beneficiaries. Accepting lower returns or greater risks to promote non-financial considerations violates fiduciary duty.

Investment Consultant

The PAC may select an Investment Consultant (the "Consultant") to the Plan. The Consultant will be a registered investment advisor under the Investment Advisors' Act of 1940. The Consultant's responsibilities include the following:

- Assisting the PAC with maintaining the policy objectives and guidelines;
- Providing recommendations on the investment managers and investment options;
- Providing assistance in manager fund searches and selection, and with investment performance evaluation;
- Providing timely information, written and/or oral, on investment options, managers, and other related issues, as requested by the PAC;
- Meeting with the PAC and reviewing the performance of the Plan's investment options; and
- Assisting in the selection, monitoring, removing and replacing of a diverse selection of investment options suitable for the Plan's demographics.

Recordkeeper

The County of Los Angeles Board of Supervisors selects the recordkeeper to the Plan. The recordkeeper is responsible for maintaining and updating individual account balances as well as information regarding plan contributions, withdrawals and distributions. The recordkeeper's responsibilities include, but are not limited to, the following:

- Processing participant contributions, redemptions and exchanges;
- Processing distribution, transfers and rollover requests;
- Processing loan requests and defaults, and performing loan recordkeeping services;
- Performing Plan and participant level accounting and reconciliations;
- Reconciling and processing in-service and hardship withdrawals;
- Providing participants with quarterly statements of their accounts;
- Coordinating with mutual fund providers selected by the PAC on the collection of revenue sharing and forwarding that revenue sharing amount to the custodian for reinvestment back to participants invested in the mutual fund; and
- Periodically reporting to the PAC.

The recordkeeper may not accept any form of compensation from the investment managers in relationship to the Plan.

Investment Managers

The PAC with assistance from the Investment Consultant selects the Investment Managers. The Investment Managers shall be delegated the responsibility of investing and managing the Plan assets in accordance with the investment policy statement and all applicable laws. Each Investment Manager hired by the Plan must be qualified based on one or more of the following:

- Manages an investment company registered under the Investment Company Act of 1940;
- Registered under the Investment Advisors Act of 1940;
- A bank, as defined in the Investment Advisors Act of 1940;
- An insurance company qualified under the laws of more than one state to perform the services of managing, acquiring or disposing of Plan assets; or
- Such other person or organization authorized by applicable law or regulation to function as an Investment Manager.

Directed Trustee/Custodian

The Directed Trustee/Custodian is responsible for the safekeeping of the Plan's assets and will act in a fiduciary capacity. The Directed Trustee/Custodian's specific duties and responsibilities are to:

- Hold the Plan's assets in trust;
- Value the holdings;
- Collect all income and dividends owed to the Plan;
- Settle all transactions;

- Calculate a daily NAV for the core investment options and the target date portfolios;
- Provide periodic reports that detail financial transactions and valuations; and
- Rebalance blended funds.

Transition Manager

The PAC with assistance from the Investment Consultant assembles an approved list of transition managers for use in the event of a transition from one portfolio manager to the next. Staff with assistance from the Investment Consultant will review pre-trade bids and select a transition manager on a project-by-project basis. Each Transition Manager used for a specific transition will provide the following:

- A pre-trade bid analysis outlining total transaction costs including commissions and market impact, benchmarks for assessing the success of the transition, a performance guarantee and investment restrictions (if any);
- A post-trade report that summarizes the activities and results of the transition including amount of trade proceeds, a breakdown of assets traded along with specification as to if the trade was internally or externally crossed or traded on the open market and costs. The report will also include a comparison of the pre-trade bid and the post-trading results; and
- Analysis associated with the performance guarantee.

5. CRITERIA FOR SELECTING INVESTMENT MANAGERS

Investment options will include asset classes and risk/reward levels representing the three core categories. The PAC intends to offer at least one fund selection within each of the three core categories. The investment vehicles for any of the investment options may be a separately managed account, a pooled or commingled account, a mutual fund, or a combination of investment vehicles as determined for each fund by the PAC. The selection criteria set forth below will also be applied to all portfolios utilized within the pre-assembled offerings. The PAC has prudently constructed each of the target date funds based upon the expected return and risk characteristics of asset classes to be represented within each portfolio. Periodically, the PAC will evaluate the number and type of core investment offerings. From time-to-time, the PAC will review the glidepath and composition of the target date funds. The PAC may retain an outside consultant or advisor to provide assistance with the evaluation of potential investment management organizations.

The PAC will select investment managers for each category by using processes which exemplify prudent fiduciary standards. When making fund selections and or changes to the structure of the target date funds, the PAC will take the following into consideration:

- I. Portfolio Management/Expenses/Administrative Feasibility
 - A. Portfolios that are well diversified, prudently managed, and offer reasonable opportunities for appreciation in value or earnings.

- B. Portfolios with reasonable and competitive investment management fees and/or expense ratios that are comparable to other institutional investor portfolios.
- C. Portfolios that adhere to the style and philosophy presented by the investment manager.
- D. Administrative feasibility and costs to participants including, but not limited to, trading implications, capacity issues, etc.

II. Performance

- A. Portfolios that have a record of performing near or above the relevant published market indices (Standard & Poor's 500 Index, Bloomberg U.S. Aggregate Bond Index, etc.). A market index is a statistical composite that measures changes in financial markets, including stock and bond fluctuations. Comparative performance will usually be based upon a three- to five-year time horizon.
- B. Portfolios that have a record of consistently performing better than the median of a universe of similar portfolios. A universe is a peer group of investment managers handling similarly managed funds. Comparative performance will usually be based upon a three to five-year time horizon.
- C. Portfolios will also be evaluated on a risk-adjusted basis versus the relevant market index.

III. Communication/Reporting

- A. Investment management organizations that provide monthly updates regarding investment holdings and performance, as well as a clear definition of their management, philosophy and strategy. Investment management organizations that do not normally provide this information must commit to making it available at least monthly.
- B. Ease of communicating the characteristics of the portfolios to participants.

IV. Corporate Stability/Personnel

- A. Financial stability of the company. In the case of the deposit account options, each bank should be investment grade as rated by Moody's, Fitch and Standard & Poor's.
- B. Corporate governance of the investment management organization. Preference will be given to firms who have remained stable from an organizational standpoint, including staffing, controlled plan for growth, compliance with respective governing agencies, etc.
- C. Minimum active assets under management as follows:
 - Bank Deposit Account - \$500 million
 - Fixed Income - \$1 billion
 - Inflation Protection - \$500 million
 - High Yield - \$500 million
 - Target Date Portfolios – Not applicable
 - Balanced - \$500 million
 - Large Capitalization Domestic Equity - \$1 billion

- International Equity - \$1 billion
 - Small/Mid Capitalization Domestic Equity - \$500 million
- D. The PAC will evaluate the overall size of assets under advisement within the particular investment strategy employed by PAC and the length of time the organization has been in operation. When considering an actively managed product, the PAC will consider those firms where a proposed allocation will not exceed more than 25% of such firm's assets under management within the proposed investment strategy. In general, these are the guidelines that the PAC wishes to use when selecting new active investment managers for inclusion in the Plan. However, there may be special circumstances when the PAC decides to relax these requirements. For example, should non-traditional asset classes or non-core strategies be included in the Target Date Funds, the PAC may waive the 25% maximum or the minimum assets under management in order to gain the desired diversification. Additionally, the PAC may elect to increase the 25% maximum for asset classes requiring special considerations (e.g. capacity-constrained asset classes). In the event that the PAC decides to relax these guidelines, other factors will be carefully considered including, but not limited to, whether or not the investment manager is a named fiduciary to the Plan and the size of the portfolio in relationship to the other assets under advisement by the investment manager.

V. Operations

- A. Portfolios and/or funds that offer ease and ability to make transfers and process liquidations and contributions.
- B. Funds/or portfolios must be valued daily.

VI. Other

To the extent that the PAC uses separately managed portfolios, those assets will be held in custody with an appropriate custodian and the investment manager will reconcile their fund holdings with the custodian.

6. MONITORING INVESTMENT PERFORMANCE

The PAC will review the investment management organizations and investment performance of each portfolio and investment option on a quarterly basis. The PAC may retain an outside consultant or advisor to provide a report and assist in the evaluation of such portfolios.

A portfolio and investment option will be evaluated over a full market cycle, generally defined as three to five years. This time period may be longer depending on the current market environment. This allows for the investment process and style of a particular portfolio to fully manifest itself in terms of risk, return, style, and overall portfolio characteristics.

At its discretion, the PAC may choose to evaluate a fund over a shorter period. The PAC will review the following with respect to each portfolio and investment option:

1. Portfolio management, expenses and administrative feasibility;
 - A. Appropriate diversification and prudent management.
 - B. Reasonable investment management fees and/or expense ratios as compared to other institutionally managed portfolios.
 - C. Consistent investment style.
2. Performance;
 - A. Performance versus indices.
 - B. Performance relative to peer group.
 - C. Performance reviewed over a three- and five-year time period unless a shorter term underperformance is so severe that it warrants the PAC's immediate consideration for termination and/or replacement. The PAC may also elect to evaluate a manager over longer time periods given current market conditions.
 - D. Portfolio risk characteristics shall remain consistent with the underlying investment manager or portfolio style.
3. Communication and reporting;
 - A. Each investment manager shall communicate any changes to their organization, personnel and investment process to the PAC.
 - B. Each investment manager shall be responsive to the PAC and staff's requests.
4. Corporate stability and personnel;
 - A. Investment management organizations shall not experience negative financial press that impacts the reputation of the firm.
 - B. Corporate governance issues including change in company ownership, turnover of the underlying investment management personnel, significant change to the investment process or issues with governing regulatory body.
 - C. For actively managed products, portfolio size should be no more than 25% of the firm's assets under advisement within the particular investment strategy employed by PAC. For investments requiring special considerations (e.g. capacity-constrained asset classes), the maximum portfolio size may exceed 25% of the firm's assets under advisement within the particular investment strategy. In this event, the PAC may consider each portfolio on a case-by-case basis in order to determine if it will relax the 25% maximum. In the event a portfolio is above this maximum and the PAC does not grant an exception, the portfolio will be brought back in line with this policy as soon as administratively possible.
5. Operations;
 - A. Investment options will be monitored for utilization by participants.
 - B. Operational problems with the accuracy of transactions and processing of cash flow will be reviewed.
6. Compliance with individual fund investment guidelines.
7. In the case of separate accounts, compliance with individual investment guidelines as outlined in the Appendix.

With respect to performance, the PAC will evaluate funds against a variety of measures including one or more of the following:

- Absolute performance relative to an appropriate index.
- Relative performance versus other similarly managed portfolios as defined by a universe of other funds/managers.
- An analysis of risk and risk-adjusted performance.
- An analysis of adherence to and implementation of style.

The specific performance criteria for each portfolio and investment option are outlined in the Appendix.

Non-compliance, and/or non-adherence to the aforementioned standards and performance objectives can be grounds for immediate termination and replacement.

Other issues, such as significant changes from current operational and reporting standards, may be considered by the PAC within the monitoring, termination and replacement decision-making process.

The PAC will generally take the following steps prior to terminating an investment manager. Should the investment manager fail to meet any of the monitoring items listed above, the PAC will place the investment manager on watch and may meet with the investment manager to discuss the specific issue(s). The PAC will give the investment manager a reasonable amount of time to correct the issue and will continue to monitor the firm. At the PAC's discretion, there may be circumstances that warrant terminating an investment manager immediately and without going through these outlined steps.

7. PROXY VOTING

The PAC acknowledges that the ownership of equities in separate accounts entitles proxies to be voted at annual and special meetings of shareholders. The PAC commits to managing its proxy voting rights with the same care, skill, diligence and prudence as is exercised in managing its other assets. As responsible fiduciaries, the PAC and designated staff or agent will exercise its proxy voting rights in the sole interest of the Plan's participants and beneficiaries in accordance with all applicable statutes. The PAC may delegate proxy voting to the investment managers or contract with a third party to perform its duties.

The PAC acknowledges that its proxy voting rights for its equity investments do not extend to such corporate actions as offers to repurchase, tender offers, securities class action litigation, bankruptcies and dividend reinvestments. Such corporate actions are to be decided by the relevant equity investment managers. The PAC also acknowledges that its proxy voting rights do not extend at all to its investment in fixed income instruments. All corporate actions on fixed-income instruments are to be made by the PAC's investment managers. Proxy voting guidelines appear in the Appendix.

8. TRADE RESTRICTION POLICY

The PAC has adopted and implemented the following trade restriction policy to protect participants from the potential negative impact of market timing and frequent trading.

90-Day Equity Wash Rule – The book value of the Stable Value Fund is insured by wrap providers who require a 90-calendar day waiting period for any transfers from the Stable Value Fund into the competing Bank Depository Fund. If a participant wishes to move assets from the Stable Value Fund into the Bank Depository Fund, they must first move their assets into Target Date Funds or Asset Class Funds for 90 calendar days. In addition, once a participant transfers out of the Stable Value Fund, all investment options are restricted from transferring into a competing fund for 90 calendar days. The 90-calendar day window restarts with the latest transfer out of the Stable Value Fund. The 90-Day Equity Wash Rule is automatically imposed by the Plan’s recordkeeper.

2% Redemption Fee – The Non-U.S. Equity Fund (“Fund”) will impose a 2% redemption fee on the value of shares not held in the Fund for a minimum of 15 calendar days after purchase. The fee collected will be re-invested back into the Net Asset Value (NAV) of the Fund in order to offset any costs resulting from frequent trading and/or market timing. The redemption fee will not be applied to fee deductions and/or plan distributions.

This fee is automatically imposed by the Plan’s recordkeeper and a participant will receive an online notification prior to placing a trade where a 2% redemption fee would apply.

The PAC reserves the right to impose penalties for disruptive trading practices, even if such practices may not be in strict violation of the program. The Plan will comply with any trade restrictions adopted by a mutual fund or collective trust utilized in the Plan.

9. SELF-DIRECTED BROKERAGE OPTION – UNRELATED BUSINESS TAXABLE INCOME POLICY

The PAC has purposefully excluded publicly traded limited partnerships from the menu of acceptable investments in the self-directed brokerage option due to the potential tax implication that could be created from these types of investments. To ensure that the Plan is not subject to Unrelated Business Taxable Income and the corresponding tax liability, the PAC will administer the Plan in accordance with the terms set forth in the self-directed brokerage investment menu and liquidate any holdings which could create a tax liability.

The PAC’s procedure for liquidating such securities will include notification of the prohibited holdings to the participant instructing them to liquidate their holding within six months. One month prior to a forced liquidation, the recordkeeper will issue a second notice informing the participant of the forced liquidation of assets at the end of the six months. In the event that the participant does not liquidate the security within six

months, the PAC authorizes staff to instruct the recordkeeper and brokerage window provider to initiate a forced liquidation. The proceeds from the liquidation will be deposited into the money market fund within the participant's self-directed brokerage account for further participant direction into permitted investments.

10. TRANSACTIONS, BROKERAGE AND COMMISSION RECAPTURE PROGRAM

The PAC understands its fiduciary responsibility with respect to transactions and hereby instructs their investment managers to seek best execution when conducting all trades. Investment managers are instructed to seek to minimize commission and market impact costs when trading securities. Investment managers shall provide annual reports to the staff summarizing commission activity by broker, showing the average commission cost and execution costs.

When trading securities, best execution is the paramount consideration of the PAC. This objective is expected to provide for and protect the best economic interest of the Plan. As part of the trading process, managers shall determine expected trading costs associated with approved firms on the PAC's commission recapture brokerage firm list, if applicable. If trading through one of the PAC's commission recapture brokerage firm is in the best economic interest of the Plan, the investment managers are expected to consider this firm as well as others in obtaining best execution.

For example, if an equity trade is contemplated and an investment manager can execute the trade through the PAC's commission recapture brokerage firm while not incurring any incremental commission or market impact costs, then the PAC would like the manager to do so. However, if a manager is required to carve out a portion of a block trade to accommodate a trade through the PAC's commission recapture brokerage firm or if such a trade is likely to lead to increased costs, the manager shall not trade through the PAC's commission recapture brokerage firm.

11. COMMUNICATIONS TO PARTICIPANTS

The PAC or its designees will take reasonable steps to communicate the general characteristics of the various investment options to participants. These communications will include a description of the relative investment risk associated with each alternative, benefits of diversification, and other general investment education.

At least quarterly, participants will be notified of the rates of return of the investment options. Other information may be included which will help the participants make informed decisions regarding their investment options. The PAC acknowledges the need to support the County of Los Angeles in its effort to adequately educate participants with respect to time horizons, risk, expected returns, and portfolio diversification. In addition, this Statement of Investment Policy is to be communicated to participants upon adoption by the PAC.

12. ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) INVESTING

ESG issues can factor into the economic success of investments, especially as it may expose opportunities and risks, particularly long-term risks, that are not otherwise detected, thereby allowing investors to minimize such risks.

For the purpose of this investment policy, the definitions listed below are established to provide a common basis for reference and usage:

- **ESG factors** – These non-financial factors rate and score a company’s efforts to address environmental, social, and governance issues including (but not limited to) carbon emissions, energy efficiency, gender and diversity, human rights, labor standards, board composition, and executive compensation. ESG factors may be used by investment managers to identify specific company risk or growth opportunities. Investors can typically access ESG factors through a subscription to an ESG Ratings Agency.
- **ESG Information or ESG Data** – These are broader terms that are more loosely used. They are not tied specifically to ESG factors. This is information or data that may describe or relate to an environmental, social, or governance issue. However, it does not denote a standardized rating or calculated score that an ESG Ratings Agency would issue.
- **Socially Responsible Investing (SRI)** – A values-based investing process in which an exclusionary screen is applied to an investable opportunity set. Investments that fail to meet an organizations’ values would be excluded from consideration.

PAC Application

The PAC, as the designated fiduciary for the Plan, must at all times comply with its fiduciary duties as described in section 4 above. Consistent with these duties, the PAC is responsible for evaluating ESG Information in the investment process based on the economic benefit to the Plan participants and beneficiaries. Upon the PAC’s request, investment managers shall provide information on whether and how ESG factors are incorporated in their respective investment strategies. Such information may be used by the PAC when evaluating investment managers, though the PAC will not use Plan assets to promote or advance ESG issues or acquire collateral benefits at the expense of the financial interests of the Plans’ participants and beneficiaries. Since SRI applies an exclusionary screen which reduces the investable opportunity set, SRI should not be considered as it may also limit economic outcomes and diversification potential.

Investment Manager Application

As it relates to specific or individual ESG factors, the PAC may delegate the responsibility of determining the materiality of ESG factors to the investment managers. It is required that each investment manager, consistent with the fiduciary duties

described in section 4 above, will determine the appropriate ESG factors to apply in their respective investment process to maximize the economic benefit to Plan participants and beneficiaries.

Appendix A SAVINGS PLAN INVESTMENT FUND OPTIONS

I. Investment Fund Options

Asset Class	Investment Option	Market Benchmark	Peer Universe
Capital Preservation	Bank Depository Fund	Average of 3-Month LIBOR during the last ten business days of the prior calendar quarter	Not applicable
Capital Preservation	Savings Stable Value Fund	3 Month T-Bill Index plus 1.5%	Stable value
Bond/Fixed Income	Savings Bond Fund	Bloomberg U.S. Aggregate Bond Index	Core plus bond
Inflation Protection	Savings Inflation Protection Fund	Blended index of 38% Bloomberg U.S. TIPS Index, 15.5% Bloomberg Roll Select Commodity Index, 6.2% Dow Jones U.S. Select REIT Index, 15.5% S&P Global LargeMidCap Commodity and Resources Index, 12.4% Bloomberg U.S. TIPS 1-10 Year Index and 12.4% S&P Global Infrastructure Equity Index.	Not applicable
Balanced/Target Date	Savings Retirement Income Fund	Blended index of 27% Bloomberg U.S. Aggregate Bond Index; 5% Merrill Lynch U.S. High Yield BB-B 2% Constrained Index; 8% blended index of 25% JPMorgan GBI EM Global Diversified Index, 25% JPMorgan ELMI+Index, 50% JPMorgan EMBI GD Index; 6.3% S&P 500 Index; 3.9% MSCI EAFE Index; 1.35% S&P Mid Cap 400 Index; 1.35% Russell 2000 Index; 2.1% MSCI Emerging Market Free Index; 6.0% Bloomberg U.S. TIPS 1-10 Year Index; 12% blended index of 75% NCREIF ODCE and 25% MSCI US REIT Index; 7.5% blended index of 60% MSCI World and 40% CitiWGBI; 7.5% MSCI All Country World Index; and 12% blended index of 38% Bloomberg U.S. TIPS Index, 15.5% Bloomberg Roll Select Commodity Index, 6.2% Dow Jones U.S. Select REIT Index, 15.5% S&P Global LargeMidCap Commodity and Resources Index, 12.4% Bloomberg U.S. TIPS 1-10 Year Index and 12.4% S&P Global Infrastructure Equity Index.*	Target Date funds with similar retirement date
Balanced/Target Date	Savings 2015 Target Date Fund	Blended index of 23.75% Bloomberg U.S. Aggregate Bond Index; 4.32% Merrill Lynch U.S. High Yield BB-B 2% Constrained Index; 7.13% blended index of 25% JPMorgan GBI EM Global Diversified Index, 25% JPMorgan ELMI+Index, 50% JPMorgan EMBI GD Index; 9.82% S&P 500 Index; 6.07% MSCI EAFE Index; 2.10% S&P Mid Cap 400 Index; 2.10% Russell 2000 Index; 3.27% MSCI Emerging Markets Free Index; 5.44% Bloomberg U.S. TIPS 1-10 Year Index; 10.87% blended index of 75% NCREIF ODCE and 25% MSCI US REIT Index; 7.5% blended index of 60% MSCI World and 40% CitiWGBI; 7.5% MSCI All Country World Index; and 10.13% blended index of 38% Bloomberg U.S. TIPS Index, 15.5% Bloomberg Roll Select Commodity Index, 6.2% Dow Jones U.S. Select REIT Index, 15.5% S&P Global LargeMidCap Commodity and Resources Index, 12.4% Bloomberg U.S. TIPS 1-10 Year Index and 12.4% S&P Global Infrastructure Equity Index.*	Target Date funds with similar retirement date

Asset Class	Investment Option	Market Benchmark	Peer Universe
Balanced/Target Date	Savings 2020 Target Date Fund	Blended index of 19.25% Bloomberg U.S. Aggregate Bond Index; 3.47% Merrill Lynch U.S. High Yield BB-B 2% Constrained Index; 5.84% blended index of 25% JPMorgan GBI EM Global Diversified Index, 25% JPMorgan ELMI+Index, 50% JPMorgan EMBI GD Index; 14.34% S&P 500 Index; 8.88% MSCI EAFE Index; 3.07% S&P Mid Cap 400 Index; 3.07% Russell 2000 Index; 4.78% MSCI Emerging Markets Free Index; 4.93% Bloomberg U.S. TIPS 1-10 Year Index; 9.88% blended index of 75% NCREIF ODCE and 25% MSCI US REIT Index; 7.5% blended index of 60% MSCI World and 40% CitiWGBI; and 7.5% MSCI All Country World Index; and 7.49% blended index of 38% Bloomberg U.S. TIPS Index, 15.5% Bloomberg Roll Select Commodity Index, 6.2% Dow Jones U.S. Select REIT Index, 15.5% S&P Global LargeMidCap Commodity and Resources Index, 12.4% Bloomberg U.S. TIPS 1-10 Year Index and 12.4% S&P Global Infrastructure Equity Index.*	Target Date funds with similar retirement date
Balanced/Target Date	Savings 2025 Target Date Fund	Blended index of 13.40% Bloomberg U.S. Aggregate Bond Index; 2.60% Merrill Lynch U.S. High Yield BB-B 2% Constrained Index; 4.80% blended index of 25% JPMorgan GBI EM Global Diversified Index, 25% JPMorgan ELMI+Index, 50% JPMorgan EMBI GD Index; 19.53% S&P 500 Index; 12.10% MSCI EAFE Index; 4.19% S&P Mid Cap 400 Index; 4.19% Russell 2000 Index; 6.51% MSCI Emerging Markets Free Index; 4.34% Bloomberg U.S. TIPS 1-10 Year Index; 8.68% blended index of 75% NCREIF ODCE and 25% MSCI US REIT Index; 7.5% blended index of 60% MSCI World and 40% CitiWGBI; 7.5% MSCI All Country World Index; and 4.66% blended index of 38% Bloomberg U.S. TIPS Index, 15.5% Bloomberg Roll Select Commodity Index, 6.2% Dow Jones U.S. Select REIT Index, 15.5% S&P Global LargeMidCap Commodity and Resources Index, 12.4% Bloomberg U.S. TIPS 1-10 Year Index and 12.4% S&P Global Infrastructure Equity Index.*	Target Date funds with similar retirement date
Balanced/Target Date	Savings 2030 Target Date Fund	Blended index of 7.0% Bloomberg U.S. Aggregate Bond Index; 1.60% Merrill Lynch U.S. High Yield BB-B 2% Constrained Index; 3.80% blended index of 25% JPMorgan GBI EM Global Diversified Index, 25% JPMorgan ELMI+Index, 50% JPMorgan EMBI GD Index; 24.95% S&P 500 Index; 15.43% MSCI EAFE Index; 5.35% S&P Mid Cap 400 Index; 5.35% Russell 2000 Index; 8.32% MSCI Emerging Markets Free Index; 3.30% Bloomberg U.S. TIPS 1-10 Year Index; 6.60% blended index of 75% NCREIF ODCE and 25% MSCI US REIT Index; 7.5% blended index of 60% MSCI World and 40% CitiWGBI; 7.5% MSCI All Country World Index; and 3.30% blended index of 38% Bloomberg U.S. TIPS Index, 15.5% Bloomberg Roll Select Commodity Index, 6.2% Dow Jones U.S. Select REIT Index, 15.5% S&P Global LargeMidCap Commodity and Resources Index, 12.4% Bloomberg U.S. TIPS 1-10 Year Index and 12.4% S&P Global Infrastructure Equity Index.*	Target Date funds with similar retirement date

Asset Class	Investment Option	Market Benchmark	Peer Universe
Balanced/Target Date	Savings 2035 Target Date Fund	Blended index of 2.85% Bloomberg U.S. Aggregate Bond Index; 0.60% Merrill Lynch U.S. High Yield BB-B 2% Constrained Index; 2.75% blended index of 25% JPMorgan GBI EM Global Diversified Index, 25% JPMorgan ELMI+Index, 50% JPMorgan EMBI GD Index; 28.88% S&P 500 Index; 17.88% MSCI EAFE Index; 6.20% S&P Mid Cap 400 Index; 6.20% Russell 2000 Index; 9.64% MSCI Emerging Markets Free Index; 2.50% Bloomberg U.S. TIPS 1-10 Year Index; 5.00% blended index of 75% NCREIF ODCE and 25% MSCI US REIT Index; 7.5% blended index of 60% MSCI World and 40% CitiWGBI; 7.5% MSCI All Country World Index; and 2.50% blended index of 38% Bloomberg U.S. TIPS Index, 15.5% Bloomberg Roll Select Commodity Index, 6.2% Dow Jones U.S. Select REIT Index, 15.5% S&P Global LargeMidCap Commodity and Resources Index, 12.4% Bloomberg U.S. TIPS 1-10 Year Index and 12.4%S&P Global Infrastructure Equity Index.*	Target Date funds with similar retirement date
Balanced/Target Date	Savings 2040 Target Date Fund	Blended index of 2% blended index of 25% JPMorgan GBI EM Global Diversified Index, 25% JPMorgan ELMI+Index, 50% JPMorgan EMBI GD Index; 30.66% S&P 500 Index; 18.98% MSCI EAFE Index; 6.57% S&P Mid Cap 400 Index; 6.57% Russell 2000 Index; 10.22% MSCI Emerging Markets Free Index; 2.50% Bloomberg U.S. TIPS 1-10 Year Index; 5.0% blended index of 75% NCREIF ODCE and 25% MSCI US REIT Index; 7.5% blended index of 60% MSCI World and 40% CitiWGBI; 7.5% MSCI All Country World Index; and 2.50% blended index of 38% Bloomberg U.S. TIPS Index, 15.5% Bloomberg Roll Select Commodity Index, 6.2% Dow Jones U.S. Select REIT Index, 15.5% S&P Global LargeMidCap Commodity and Resources Index, 12.4% Bloomberg U.S. TIPS 1-10 Year Index and 12.4% S&P Global Infrastructure Equity Index.*	Target Date funds with similar retirement date
Balanced/Target Date	Savings 2045 Target Date Fund	Blended index of 2% blended index of 25% JPMorgan GBI EM Global Diversified Index, 25% JPMorgan ELMI+Index, 50% JPMorgan EMBI GD Index; 30.66% S&P 500 Index; 18.98% MSCI EAFE Index; 6.57% S&P Mid Cap 400 Index; 6.57% Russell 2000 Index; 10.22% MSCI Emerging Markets Free Index; 2.50% Bloomberg U.S. TIPS 1-10 Year Index; 5.0% blended index of 75% NCREIF ODCE and 25% MSCI US REIT Index; 7.5% blended index of 60% MSCI World and 40% CitiWGBI; 7.5% MSCI All Country World Index; and 2.50% blended index of 38% Bloomberg U.S. TIPS Index, 15.5% Bloomberg Roll Select Commodity Index, 6.2% Dow Jones U.S. Select REIT Index, 15.5% S&P Global LargeMidCap Commodity and Resources Index, 12.4% Bloomberg U.S. TIPS 1-10 Year Index and 12.4% S&P Global Infrastructure Equity Index.*	Target Date funds with similar retirement date

Asset Class	Investment Option	Market Benchmark	Peer Universe
Balanced/Target Date	Savings 2050 Target Date Fund	Blended index of 2% blended index of 25% JPMorgan GBI EM Global Diversified Index, 25% JPMorgan ELMI+Index, 50% JPMorgan EMBI GD Index; 30.66% S&P 500 Index; 18.98% MSCI EAFE Index; 6.57% S&P Mid Cap 400 Index; 6.57% Russell 2000 Index; 10.22% MSCI Emerging Markets Free Index; 2.50% Bloomberg U.S. TIPS 1-10 Year Index; 5.0% blended index of 75% NCREIF ODCE and 25% MSCI US REIT Index; 7.5% blended index of 60% MSCI World and 40% CitiWGBI; 7.5% MSCI All Country World Index; and 2.50% blended index of 38% Bloomberg U.S. TIPS Index, 15.5% Bloomberg Roll Select Commodity Index, 6.2% Dow Jones U.S. Select REIT Index, 15.5% S&P Global LargeMidCap Commodity and Resources Index, 12.4% Bloomberg U.S. TIPS 1-10 Year Index and 12.4% S&P Global Infrastructure Equity Index.*	Target Date funds with similar retirement date
Balanced/Target Date	Savings 2055 Target Date Fund	Blended index of 2% blended index of 25% JPMorgan GBI EM Global Diversified Index, 25% JPMorgan ELMI+Index, 50% JPMorgan EMBI GD Index; 30.66% S&P 500 Index; 18.98% MSCI EAFE Index; 6.57% S&P Mid Cap 400 Index; 6.57% Russell 2000 Index; 10.22% MSCI Emerging Markets Free Index; 2.50% Bloomberg U.S. TIPS 1-10 Year Index; 5.0% blended index of 75% NCREIF ODCE and 25% MSCI US REIT Index; 7.5% blended index of 60% MSCI World and 40% CitiWGBI; 7.5% MSCI All Country World Index; and 2.50% blended index of 38% Bloomberg U.S. TIPS Index, 15.5% Bloomberg Roll Select Commodity Index, 6.2% Dow Jones U.S. Select REIT Index, 15.5% S&P Global LargeMidCap Commodity and Resources Index, 12.4% Bloomberg U.S. TIPS 1-10 Year Index and 12.4% S&P Global Infrastructure Equity Index.*	Target Date funds with similar retirement date
Balanced/Target Date	Savings 2060 Target Date Fund	Blended index of 2% blended index of 25% JPMorgan GBI EM Global Diversified Index, 25% JPMorgan ELMI+Index, 50% JPMorgan EMBI GD Index; 30.66% S&P 500 Index; 18.98% MSCI EAFE Index; 6.57% S&P Mid Cap 400 Index; 6.57% Russell 2000 Index; 10.22% MSCI Emerging Markets Free Index; 2.50% Bloomberg U.S. TIPS 1-10 Year Index; 5.0% blended index of 75% NCREIF ODCE and 25% MSCI US REIT Index; 7.5% blended index of 60% MSCI World and 40% CitiWGBI; 7.5% MSCI All Country World Index; and 2.50% blended index of 38% Bloomberg U.S. TIPS Index, 15.5% Bloomberg Roll Select Commodity Index, 6.2% Dow Jones U.S. Select REIT Index, 15.5% S&P Global LargeMidCap Commodity and Resources Index, 12.4% Bloomberg U.S. TIPS 1-10 Year Index and 12.4% S&P Global Infrastructure Equity Index.*	Target Date funds with similar retirement date
Balanced	Savings Balanced Fund	Blended index of 60% S&P 500 Index and 40% Bloomberg U.S. Aggregate Bond Index	Balanced funds with similar asset allocation
Large Capitalization Domestic Equity	Savings Large Cap Equity Fund	S&P 500 Index	Not applicable
International Equity	Savings Non-U.S. Equity Fund	MSCI EAFE Index	Non-U.S. equity
Mid Capitalization Domestic Equity	Savings Mid Cap Equity Fund	S&P Mid Cap 400 Index	Mid cap equity

Asset Class	Investment Option	Market Benchmark	Peer Universe
Small Capitalization Domestic Equity	Savings Small Cap Equity Fund	Russell 2000 Index	Small cap equity

*The benchmark weight for each asset class represents the weight for 2022.

II. Composition of Asset Class Funds

Some of the asset class funds seek diversification through a multi-manager structure. Each investment manager will manage their portfolio independently. The asset allocation for each Fund will be rebalanced through daily participant trades, semi-monthly payroll deferral contributions and quarterly rebalancing.

Investment Option	Investment Manager	Benchmark	Target	Range (+ / -)
Savings Bond Fund	Loomis Sayles & Company, L.P. Core Plus Full Discretion	Bloomberg U.S. Aggregate Bond Index	50%	10%
	Metropolitan West Asset Management, LLC – separate account		50%	10%
Savings Balanced Fund	Dodge & Cox Balanced Fund (DODBX)	Blended index of 60% S&P 500 Index and 40% Bloomberg U.S. Aggregate Bond Index	100%	n/a
Savings Large Cap Equity Fund	SSgA S&P 500 Index Fund	S&P 500 Index	50%	10%
	TCW Asset Management Company – separate account	Russell 1000 Growth Index	25.0%	5%
	Sound Shore Management, Inc. – separate account	Russell 1000 Value Index	25.0%	5%
Savings Non-U.S. Equity Fund	MFS Institutional International Equity – separate account	MSCI EAFE Index	100%	n/a
Savings Mid Cap Equity Fund	SSgA Mid Cap Index Fund	S&P Mid Cap 400 Index	100%	n/a
Savings Small Cap Equity Fund	SSgA Small Cap Index Fund	S&P Russell 2000 Index	5%	2%
	William Blair Investment Management, LLC – separate account	Russell 2000 Value Index	47.5%	8%
	T. Rowe Price New Horizons Fund (PRNHX)	Russell 2000 Growth Index	47.5%	8%
Savings Inflation Protection Fund	SSgA U.S. Inflation Protected Bond Index Fund – Class A	Bloomberg U.S. Treasury Inflation Protected Securities Index	38%	2.5%

Investment Option	Investment Manager	Benchmark	Target	Range (+ / -)
	SSgA Real Asset Strategy Fund	Blended index of 25% Bloomberg Roll Select Commodity Index, 25% S&P Global LargeMidCap Commodity and Resources Index, 10% Dow Jones U.S. Select REIT Index, 20% Bloomberg U.S. TIPS 1-10 Year Index and 20% S&P Global Infrastructure Equity Index.	62%	5%

III. Composition of Target Date Funds

Each of the target date portfolios will invest in a combination of the Plan's core portfolios as well as other non-core strategies and is diversified by asset class and holdings. The glide path and asset allocation for each retirement date portfolio is approved by the PAC. Each year the target date funds will adjust to more conservative investments as the Fund's time horizon shortens. The asset allocation for each portfolio will be rebalanced through daily participant trades and the semi-monthly payroll deferral contribution. The non-core portfolios currently included in the target date funds are listed in the table below.

Asset Class	Investment Manager	Benchmark	Target	Range (+ / -)
Equity Alternatives	BNYM Newton SL Global Alpha I Fund	Blended index of 60% MSCI World and 40% CitiWGBI	50%	4%
	SSgM Transition Account	MSCI All Country World Index	50%	4%
Real Return	JP Morgan Diversified Commercial Property Fund	Blended index of 75% NCREIF ODCE and 25% MSCI REIT Index	67%	5%
	PIMCO All Asset Fund (PAAIX)	Bloomberg U.S. TIPS 1-10 Year Index*	33%	5%
Emerging Markets Equity	Dimensional Fund Advisors Emerging Market Value Portfolio	MSCI Emerging Markets Free Index	100%	n/a
Emerging Market Debt (Blended Currency)	Ashmore Emerging Markets Total Return Fund, Institutional Share Class (EMKIX)	Blended index of 25% JPMorgan GBI EM Global Diversified Index, 25% JPMorgan ELMI+Index, 50% JPMorgan EMBI GD Index	100%	n/a
High Yield	PIMCO High Yield Fund (PHIYX)	Bank of America Merrill Lynch US High Yield BB-B rated constrained Index	100%	n/a

*A secondary benchmark is 40% Bloomberg U.S. Aggregate Bond Index; 30% Bloomberg U.S. TIPS 1-10 Year Index; 10% S&P 500 Index; 10% Bloomberg High Yield Index; 10% JP Morgan EMBI Index.

IV. Blended Funds Asset Allocation and Rebalancing Guidelines

The PAC has adopted the asset allocation policy and rebalancing ranges as outlined below for the Savings Target Date Funds. The PAC determined this policy after evaluating the implications of increased investment return versus increased variability of return for a number of potential investment policies with varying commitments to equities, fixed income securities and alternative investments.

Savings Retirement Income Fund	Target %	Range (+/-)
Small Cap	1.35%	1.0%
Mid Cap	1.35%	1.0%
Large Cap	6.30%	3.0%
Non-U.S.	3.90%	2.5%
Bond	27.00%	5.0%
Equity Alternatives	15.00%	6.0%
Real Return	18.00%	6.5%
High Yield	5.00%	3.0%
Emerging Market Equity	2.10%	1.5%
EMD (Blended)	8.00%	3.0%
Inflation Protection	12.00%	5.0%
	100.00%	

Savings 2015 Target Date Fund	Target %	Range (+/-)
Small Cap	2.10%	1.5%
Mid Cap	2.10%	1.5%
Large Cap	9.82%	5.0%
Non-U.S.	6.07%	4.0%
Bond	23.75%	4.5%
Equity Alternatives	15.00%	6.0%
Real Return	16.31%	6.0%
High Yield	4.32%	2.5%
Emerging Market Equity	3.27%	2.0%
EMD (Blended)	7.13%	3.0%
Inflation Protection	10.13%	4.0%
	100.00%	

Savings 2020 Target Date Fund	Target %	Range (+/-)
Small Cap	3.07%	1.5%
Mid Cap	3.07%	1.5%
Large Cap	14.34%	6.0%
Non-U.S.	8.88%	5.0%
Bond	19.25%	4.0%
Equity Alternatives	15.00%	6.0%
Real Return	14.81%	5.0%
High Yield	3.47%	2.0%
Emerging Market Equity	4.78%	3.0%
EMD (Blended)	5.84%	2.5%
Inflation Protection	7.49%	3.0%
	100.00%	

Savings 2025 Target Date Fund	Target %	Range (+/-)
Small Cap	4.19%	2.0%
Mid Cap	4.19%	2.0%
Large Cap	19.53%	7.0%
Non-U.S.	12.10%	6.0%
Bond	13.40%	3.0%
Equity Alternatives	15.00%	6.0%
Real Return	13.02%	4.5%
High Yield	2.60%	1.5%
Emerging Market Equity	6.51%	4.0%
EMD (Blended)	4.80%	2.0%
Inflation Protection	4.66%	2.0%
	100.00%	

Savings 2030 Target Date Fund	Target %	Range (+/-)
Small Cap	5.35%	2.5%
Mid Cap	5.35%	2.5%
Large Cap	24.95%	8.0%
Non-U.S.	15.43%	6.5%
Bond	7.00%	2.0%
Equity Alternatives	15.00%	6.0%
Real Return	9.90%	3.5%
High Yield	1.60%	1.0%
Emerging Market Equity	8.32%	4.5%
EMD (Blended)	3.80%	2.0%
Inflation Protection	3.30%	1.0%
	100.00%	

Savings 2035 Target Date Fund	Target %	Range (+/-)
Small Cap	6.20%	3.0%
Mid Cap	6.20%	3.0%
Large Cap	28.88%	8.0%
Non-U.S.	17.88%	7.0%
Bond	2.85%	1.0%
Equity Alternatives	15.00%	6.0%
Real Return	7.50%	3.5%
High Yield	0.60%	1.0%
Emerging Market Equity	9.64%	5.0%
EMD (Blended)	2.75%	1.5%
Inflation Protection	2.50%	1.0%
	100.00%	

Savings 2040 Target Date Fund	Target %	Range (+/-)
Small Cap	6.57%	3.0%
Mid Cap	6.57%	3.0%
Large Cap	30.66%	8.0%
Non-U.S.	18.98%	7.0%
Bond	0.00%	0.0%
Equity Alternatives	15.00%	6.0%
Real Return	7.50%	3.5%
High Yield	0.00%	0.0%
Emerging Market Equity	10.22%	5.0%
EMD (Blended)	2.00%	1.5%
Inflation Protection	2.50%	1.0%
	100.00%	

Savings 2045 Target Date Fund	Target %	Range (+/-)
Small Cap	6.57%	3.0%
Mid Cap	6.57%	3.0%
Large Cap	30.66%	8.0%
Non-U.S.	18.98%	7.0%
Bond	0.00%	0.0%
Equity Alternatives	15.00%	6.0%
Real Return	7.50%	3.5%
High Yield	0.00%	0.0%
Emerging Market Equity	10.22%	5.0%
EMD (Blended)	2.00%	1.5%
Inflation Protection	2.50%	1.0%
	100.00%	

Savings 2050 Target Date Fund	Target %	Range (+/-)
Small Cap	6.57%	3.0%
Mid Cap	6.57%	3.0%
Large Cap	30.66%	8.0%
Non-U.S.	18.98%	7.0%
Bond	0.00%	0.0%
Equity Alternatives	15.00%	6.0%
Real Return	7.50%	3.5%
High Yield	0.00%	0.0%
Emerging Market Equity	10.22%	5.0%
EMD (Blended)	2.00%	1.5%
Inflation Protection	2.50%	1.0%
	100.00%	

Savings 2055 Target Date Fund	Target %	Range (+/-)
Small Cap	6.57%	3.0%
Mid Cap	6.57%	3.0%
Large Cap	30.66%	8.0%
Non-U.S.	18.98%	7.0%
Bond	0.00%	0.0%
Equity Alternatives	15.00%	6.0%
Real Return	7.50%	3.5%
High Yield	0.00%	0.0%
Emerging Market Equity	10.22%	5.0%
EMD (Blended)	2.00%	1.5%
Inflation Protection	2.50%	1.0%
	100.00%	

Savings 2060 Target Date Fund	Target %	Range (+/-)
Small Cap	6.57%	3.0%
Mid Cap	6.57%	3.0%
Large Cap	30.66%	8.0%
Non-U.S.	18.98%	7.0%
Bond	0.00%	0.0%
Equity Alternatives	15.00%	6.0%
Real Return	7.50%	3.5%
High Yield	0.00%	0.0%
Emerging Market Equity	10.22%	5.0%
EMD (Blended)	2.00%	1.5%
Inflation Protection	2.50%	1.0%
	100.00%	

The purpose of this rebalancing policy is to establish a framework for keeping each target date fund in line with its target asset allocation. Rebalancing activities have been delegated to the custodian bank. Unless otherwise directed in writing from the PAC or staff, the custodian bank is directed to process requests for investments into and withdrawals from each fund by investing in or withdrawing from assets classes on a pro-rata basis using cash flow to help maintain the targeted weight for each portfolio. The PAC further directs and authorizes the custodian bank to rebalance each asset class fund and each target date fund quarterly. The PAC instructs the custodian bank to re-allocate the target date funds annually according to the glidepath adopted by the PAC.

Each target date fund's benchmark is a custom benchmark designed to indicate the returns that a passive investor would earn by consistently following the asset allocation targets set forth in this policy statement. The table below indicates the benchmark for each underlying asset class used in the target date funds.

Asset Class	Benchmark
Large Cap Equity Fund	S&P 500 Index
Mid Cap Equity Fund	S&P Mid Cap 400 Index
Small Cap Equity Fund	Russell 2000 Index
Non-U.S. Equity Fund	MSCI EAFE Index
Emerging Markets Equity	MSCI Emerging Markets Free Index
Equity Alternatives	Blended index of 50% MSCI All Country World Index plus 50% of a combination of MSCI World Index Half Hedged (60%) and Citigroup WGBI Index (40%)
Bond Fund	Bloomberg U.S. Aggregate Bond Index
High Yield	Merrill Lynch US High Yield BB-B Index
Emerging Market Debt (Blended Currency)	Blended index of 25% JPMorgan GBI EM Global Diversified Index, 25% JPMorgan ELMI+Index, 50% JPMorgan EMBI GD Index

Asset Class	Benchmark
Real Return	Blended index of 66.7% of a combination of NCREIF ODCE Index (75%) and MSCI US REIT Index (25%) plus 33.3% Bloomberg U.S. TIPS 1-10 Year Index
Inflation Protection Fund	Blended index of 38% Bloomberg U.S. TIPS Index, 15.5% Bloomberg Roll Select Commodity Index, 6.2% Dow Jones U.S. Select REIT Index, 15.5% S&P Global LargeMidCap Commodity and Resources Index, 12.4% Bloomberg U.S. TIPS 1-10 Year Index and 12.4% S&P Global Infrastructure Equity Index.

V. Asset Class Funds

The PAC has determined that for certain of the asset class funds it is prudent to utilize more than one investment manager or underlying portfolios. To that end, the PAC has constructed multi-manager funds for the Large Cap Equity, Small Cap Equity, Bond and Inflation Protection Funds. Additionally, for ease of rebalancing the Equity Alternatives and Real Return Funds used in the Target Date Funds are constructed as multi-manager portfolios. Each multi-manager fund or portfolio is constructed as follows:

Savings Large Cap Fund	Target %	Range (+/-)
SSgA S&P 500 Index Fund	50%	10%
TCW Separate Account	25%	5%
Sound Shore Separate Account	25%	5%

Savings Small Cap Fund	Target %	Range (+/-)
T. Rowe Price New Horizons Mutual Fund	47.5%	8%
William Blair Small Cap Separate Account	47.5%	8%
SSgA Small Cap	5%	2%

Savings Bond Fund	Target %	Range (+/-)
Loomis Sayles Core Plus Full Discretion	50%	10%
MetWest Separate Account	50%	10%

Savings Inflation Protection Fund	Target %	Range (+/-)
SSgA TIPS Fund	38%	2.5%
SSgA Real Return Fund	62%	5%

Savings Equity Alternatives	Target %	Range (+/-)
BNYM Newton SL Global Alpha I Fund	50%	4%
SSgM Transition Account	50%	4%

Savings Real Return	Target %	Range (+/-)
JP Morgan	67%	5%
PIMCO All Asset	33%	5%

Appendix B
TCW Asset Management Company
Large Capitalization Growth
Investment Policy and Guidelines

The purpose of this document is to establish a clear understanding between the County of Los Angeles Savings Plan and TCW Asset Management Company (TAMCO) with respect to the investment policies and objectives of the assets assigned to TAMCO for investment management. The policy is intended to provide risk policies to guide TAMCO toward long-term rate of return objectives that will serve as standards for evaluating investment performance. The policy will also establish the investment restrictions to be placed upon TAMCO.

OBJECTIVE

To provide capital appreciation and to provide diversification to the equity options offered to participants. TAMCO is retained to manage a portfolio consisting primarily of large cap growth equity securities. TAMCO has the discretion to purchase securities across various industry groups with the objective of outperforming the Russell 1000 Growth index.

The primary objectives for the portfolio are:

- To remain fully invested with cash positions held to a reasonable minimum.
- To meet or exceed the performance standards set forth below.

STANDARDS OF PERFORMANCE

TAMCO is expected to meet the following performance standards:

- Total portfolio return must exceed that of the Russell 1000 Growth index net of management fees.
- Total portfolio results should average in the top half of results from a comparable manager universe.

The period for investment evaluation will be three to five years and will normally include a market cycle unless the interim results are significantly below expectations.

The benchmark identified in this statement of investment policy and guidelines is for manager evaluation and comparative purposes only. While TAMCO's objective is to outperform the stated benchmark, it does not imply that the portfolio will share, or attempt to share, the same or similar characteristics of the benchmark, or any attempt to track the benchmark. It is understood that TAMCO may vary significantly from benchmark characteristics, including, among other things, diversification by sector or sub sector, industry or geography, security concentration, credit rating and duration.

RESTRICTIONS

TAMCO is expected to exercise fiduciary responsibility in the overall management of the portfolio. Acceptable securities include all domestic common and preferred securities, securities that may be converted into or exchanged for stock (such as convertible debt

and preferred stock) listed on an established exchange (including NASDAQ). Foreign common stocks listed on an U.S. exchange in dollar denominated issues and American Depository Receipts (ADRs) are permitted up to 20% of the portfolio at market value. 144A securities (with or without registration rights) which are deemed liquid by the investment manager are permitted up to 20% of the portfolio at market. TAMCO may purchase up to 10% at time of investment and accumulate up to 15% at market in any one security.

The following instruments are prohibited:

- Derivatives
- Commodities or commodity futures
- Private placements or other securities not readily marketable
- Securities purchased on margin
- Puts, calls, straddles or hedging
- Warrants or other options when acquired as part of purchase or another security
- Short selling

GENERAL

TAMCO is expected to vote all proxies to protect the financial interest of participants and TAMCO shall report annually the results of such voting.

Appendix B
MFS Institutional Advisors, Inc.
Non-U.S. Equity
Investment Policy and Guidelines

The purpose of this document is to establish a clear understanding between the County of Los Angeles Savings Plan and MFS Institutional Advisors, Inc. (MFS) with respect to the investment policies and objectives of the assets assigned to MFS for investment management. The policy is intended to provide risk policies to guide MFS toward long-term rate of return objectives that will serve as standards for evaluating investment performance. The policy will also establish the investment restrictions to be placed upon MFS.

OBJECTIVE

To provide capital appreciation and to provide diversification to the equity options offered to participants. MFS is retained to manage a portfolio consisting primarily of non-U.S. equity securities. MFS has the discretion to purchase securities in various countries and across various industry groups with the objective of outperforming the MSCI EAFE index.

The primary objectives for the portfolio are:

- To remain fully invested with cash positions held to a reasonable minimum.
- To meet or exceed the performance standards set forth below.

STANDARDS OF PERFORMANCE

MFS is expected to meet the following performance standards:

- Total portfolio return must exceed that of the MSCI EAFE index net of management fees.
- Total portfolio results should average in the top half of results from a comparable manager universe.

The period for investment evaluation will be five years and will normally include a market cycle unless the interim results are significantly below expectations.

The benchmark identified in this statement of investment policy and guidelines is for manager evaluation and comparative purposes only. While MFS' objective is to outperform the stated benchmark, it does not imply that the portfolio will share, or attempt to share, the same or similar characteristics of the benchmark, or any attempt to track the benchmark. It is understood that MFS may vary significantly from benchmark characteristics, including, among other things, diversification by sector or sub sector, industry, country or geography, security concentration, credit rating and duration. MFS may invest in countries that are not in the MSCI EAFE index.

RESTRICTIONS

MFS is expected to exercise fiduciary responsibility in the overall management of the portfolio. Acceptable securities include all international equities, including common and preferred securities, securities that may be converted into or exchanged for stock (such as convertible debt and preferred stock) listed on an established exchange. Foreign common stocks listed on a U.S. exchange in dollar denominated issues and American Depositary Receipts (ADRs) are permitted. In addition to investing in companies domiciled outside of the U.S. as classified by MSCI, MFS may at times consider one or more of the following factors when deciding whether an investment is appropriate for an international mandate:

- Country in which the company is legally incorporated;
- The location of the company's assets;
- The location of the company's headquarters;
- The countries where the company's revenues are derived;
- The principal trading market for the company's stock.

144A securities (with or without registration rights) which are deemed liquid by the investment manager at the time of investment are permitted up to 20% of the portfolio at market. MFS may purchase up to 5% at time of investment in any one security. The maximum amount of the portfolio value to be invested in emerging market countries, as defined by MSCI, is 10% at time of investment.

The following instruments are prohibited:

- Derivatives, except forward foreign currency contracts in connection with the purchase and sale of securities
- Commodities or commodity futures
- Private placements (except 144A securities deemed liquid) or other securities not readily marketable
- Securities purchased on margin
- Puts, calls, straddles or hedging, except forward foreign currency contracts in connection with the purchase and sale of securities
- Warrants or other options except when acquired as part of purchase of another security
- Short selling

Appendix B
Sound Shore Management, Inc.
Large Capitalization Value
Investment Policy and Guidelines

The purpose of this document is to establish a clear understanding between the County of Los Angeles Savings (401(K)) Plan and Sound Shore Management, Inc. (Sound Shore) with respect to the investment policies and objectives of the assets assigned to Sound Shore for investment management. The policy is intended to provide risk policies to guide Sound Shore toward long-term rate of return objectives that will serve as standards for evaluating investment performance. The policy will also establish the investment restrictions to be placed upon Sound Shore.

OBJECTIVE

To provide capital appreciation and to provide diversification to the large cap equity option offered to participants in the County of Los Angeles Savings (401(K)) Plan Sound Shore is retained to manage a portfolio consisting primarily of domestic large cap value equity securities. Sound Shore has the discretion to purchase securities across various industry groups with the objective of outperforming the Russell 1000 Value Index.

The primary objectives for the portfolio are:

- To remain fully invested with cash positions held to a reasonable minimum.
- To meet or exceed the performance standards set forth below.

STANDARDS OF PERFORMANCE

Sound Shore is expected to meet the following performance standards:

- Total portfolio return must exceed that of the Russell 1000 Value index net of management fees.
- Total portfolio results should average in the top half of results from a comparable manager universe.

The period for investment evaluation will be over a three to five year period and will normally include a market cycle unless the interim results are significantly below expectations.

The benchmark identified in this statement of investment policy and guidelines is for manager evaluation and comparative purposes only. While Sound Shore's objective is to outperform the stated benchmark, it does not imply that the portfolio will share, or attempt to share, the same or similar characteristics of the benchmark, or any attempt to track the benchmark. It is understood that Sound Shore may vary significantly from benchmark characteristics, including, among other things, diversification by sector or sub sector, industry or geography or security concentration.

RESTRICTIONS

Sound Shore is expected to exercise fiduciary responsibility in the overall management of the portfolio. Acceptable securities include all domestic common and preferred

securities, securities that may be converted into or exchanged for stock (such as convertible debt and preferred stock) listed on an established exchange (including NASDAQ). There is no restriction on the domestic stocks that Sound Shore can select for investment. Foreign common stocks listed on a U.S. exchange in dollar denominated issues and American Depositary Receipts (ADRs) are permitted up to 20% of the portfolio at market value. 144A securities (with or without registration rights) which are deemed liquid by the investment manager are permitted up to 20% of the portfolio at market value. Futures or Exchange Traded Funds (ETFs) are permissible in order to equitize a short-term cash position. No single holding will account for more than 5% of the portfolio at the time of purchase.

The following instruments are prohibited:

- Derivatives
- Commodities or commodity futures
- Private placements or other securities not readily marketable
- Securities purchased on margin
- Puts, calls, straddles or hedging
- Warrants or other options except when acquired as part of a purchase of another security
- Short selling

Appendix B
 TCW/MetWest
 Core Fixed Income
 Investment Policy and Guidelines

The purpose of this document is to establish a clear understanding between the County of Los Angeles Savings Plan and The TCW Group, Inc./Metropolitan West Asset Management, LLC (TCW/MetWest) with respect to the investment policies and objectives of the assets assigned to TCW/MetWest for investment management. The policy is intended to provide risk policies to guide TCW/MetWest toward long-term rate of return objectives that will serve as standards for evaluating investment performance. The policy will also establish the investment restrictions to be placed upon TCW/MetWest.

OBJECTIVE

To provide diversification to the fixed income investment option offered to participants. TCW/MetWest is retained to manage a portfolio consisting of domestic fixed income securities. TCW/MetWest has the discretion to purchase securities with the objective of producing a total rate of return that exceeds the Bloomberg U.S. Aggregate Bond index.

STANDARDS OF PERFORMANCE

TCW/MetWest is expected to meet the following performance standards:

- Total portfolio return must exceed that of the Bloomberg U.S. Aggregate Bond index net of management fees.
- Total portfolio results should average in the top half of results from a comparable manager universe.

The period for investment evaluation will be a five year period and will normally include a market cycle unless the interim results are significantly below expectations.

The benchmark identified in this statement of investment policy and guidelines is for manager evaluation and comparative purposes only. While TCW/MetWest's objective is to outperform the stated benchmark, it does not imply that the portfolio will share, or attempt to share, the same or similar characteristics of the benchmark, or any attempt to track the benchmark. It is understood that TCW/MetWest may vary significantly from benchmark characteristics, including among other things, diversification by sector, industry, security concentration, credit rating and duration.

RESTRICTIONS

TCW/MetWest is expected to exercise fiduciary responsibility in the overall management of the portfolio. Acceptable securities include all U.S. government and agency securities, credit securities, structured securities, short-term and cash equivalents investments. Additionally, futures, options and swap agreements are acceptable for duration/yield curve management or hedging purposes only.

The portfolio's average credit rating must be "A/A2" or higher. The minimum quality rating at the time of purchase must be "BBB-/Baa3" or above as rated by one nationally recognized rating agency. All cash equivalents must be of high quality, meaning the security must carry a short-term rating of at least A-1 or P-1. In the event that a security is downgraded, TCW/MetWest maintains discretion to hold the security. However, TCW/MetWest shall provide notice when a security has been downgraded below investment grade. Additionally, on a monthly basis TCW/MetWest shall provide a list of securities that are out of compliance with the credit standards set forth in this policy.

With the exception of the U.S. government, federal agencies and government-sponsored enterprises, the portfolio will not invest more than 2.5% of its assets (at market) in the securities of any single issuer. Investments in private placements or 144A securities shall be limited to 20% or less of the portfolio at market. Investments in mortgage derivative securities (i.e., IOs, POs, or Inverse Floaters) shall be limited to 5% or less of the portfolio's market value.

The following instruments are prohibited:

- Common stock
- Non-dollar securities

Appendix B
 William Blair Investment Management LLC
 Small Capitalization Value
 Investment Policy and Guidelines

The purpose of this document is to establish a clear understanding between the County of Los Angeles Savings 401(k) Plan and William Blair Investment Management LLC (William Blair) with respect to the investment policies and objectives of the assets assigned to William Blair for investment management. The policy is intended to provide risk policies to guide William Blair toward long-term rate of return objectives that will serve as standards for evaluating investment performance. The policy will also establish the investment restrictions to be placed upon William Blair.

OBJECTIVE

To provide capital appreciation and to provide diversification to the equity options offered to participants. William Blair is retained to manage a portfolio consisting primarily of domestic small cap value equity securities. William Blair has the discretion to purchase securities across various industry groups with the objective of outperforming the Russell 2000 Value index.

STANDARDS OF PERFORMANCE

William Blair is expected to meet the following performance standards:

- Total portfolio return must exceed that of the Russell 2000 Value index net of management fees.
- Total portfolio results should average in the top half of results from a comparable manager universe.

The period for investment evaluation will be over a five year period and will normally include a market cycle unless the interim results are significantly below expectations.

The benchmark identified in this statement of investment policy and guidelines is for manager evaluation and comparative purposes only. While William Blair's objective is to outperform the stated benchmark, it does not imply that the portfolio will share, or attempt to share, the same or similar characteristics of the benchmark, or any attempt to track the benchmark. It is understood that William Blair may vary significantly from benchmark characteristics, including among other things, diversification by sector or sub sector, industry or geography, security concentration, credit rating and duration.

RESTRICTIONS

William Blair is expected to exercise fiduciary responsibility in the overall management of the portfolio. Acceptable securities include all domestic common and preferred securities, securities that may be converted into or exchanged for stock (such as convertible debt and preferred stock) listed on an established exchange (including NASDAQ). Foreign common stocks listed on an U.S. exchange in dollar denominated issues and American Depository Receipts (ADRs) are permitted up to 20% of the

portfolio at market value. 144A securities (with or without registration rights) which are deemed liquid by the investment manager are permitted up to 20% of the portfolio at market. Futures or Exchange Traded Funds (ETFs) are permissible in order to equitize a short-term cash position. William Blair may purchase up to 5% at a time of investment and accumulate up to 10% at market in any one security.

The following instruments are prohibited:

- Derivatives
- Commodities or commodity futures
- Private placements or other securities not readily marketable
- Securities purchased on margin
- Puts, calls, straddles or hedging
- Warrants or other options except when acquired as part of purchase of another security

Appendix C Stable Value Investment Policy Statement

PURPOSE

The purpose of the Stable Value Fund (Fund) is to provide participants of the County of Los Angeles Savings Plan (the Plan) the opportunity to accumulate capital through a fixed income investment vehicle in a tax-advantaged environment by emphasizing current income.

OBJECTIVES

The primary objective of the Fund is the preservation of capital.

The secondary objective of the Fund is to generate current income with limited volatility in the book value of Fund assets. To achieve these objectives, the Fund must meet the following participant expectations:

- safety of principal;
- high real rate of return consistent with safety of principal;
- book value liquidity in accordance with Plan provisions; and
- responsiveness to changing interest rate environments.

The Fund will provide all participants with one blended rate of interest. The Fund's blended interest rate will reflect the dollar-weighted average of the interest rates applicable to each investment held by the Fund, and will be credited to all participants in the Fund, regardless of the timing of contributions or other cash flows. All contracts will permit benefit payments and in-service withdrawals which are authorized by the Plan including participant-directed investment transfers to the Plan's other investment options.

INVESTMENT STRATEGY

The following target asset allocation strategy has been adopted for the Fund:

- 3% Bloomberg U.S. Treasury Bellwether 3-Month Index
- 47% Invesco Custom Short-Term Bond Index
- 30% Invesco Custom Intermediate Bond Index
- 20% Invesco Custom Core Bond Index

These target allocations will be subject to variation given the market environment and Fund cash flows.

INSURANCE COMPANY MINIMUM CREDIT QUALITY CRITERIA

At the time of purchase, insurance companies selected by the Fund will meet the following criteria:

For General Obligation Investments

- An “A” (Excellent) or higher rating from A.M. Best Company or a comparable rating from Fitch, Moody’s or Standard & Poor’s (S&P).
- Invested assets of at least \$2.0 billion and adjusted policyholder surplus of \$200 million.
- At least two Claims-Paying Ability type ratings from the major rating services A.M. Best Company, Fitch, Moody’s, and S&P.
- An average Claims-Paying Ability Rating of at least “AA-/Aa3” from S&P, Fitch or Moody’s.
- Claims-Paying Ability Rating from any of the above agencies cannot be less than “A+/A1.”
- Risk Based Capital Ratio must be 250% or greater.

For Non-General Obligation Investments

- An “A” (Excellent) or higher rating from A.M. Best Company or a comparable rating from Fitch, Moody’s or S&P.
- Invested assets of at least \$2.0 billion and adjusted policyholder surplus of \$200 million.
- At least two Claims-Paying Ability type ratings from the major rating services A.M. Best Company, Fitch, Moody’s, and S&P.
- An average Claims-Paying Ability Rating of at least “A/A2” from S&P, Fitch or Moody’s.
- Claims-Paying Ability Rating from any of the above agencies cannot be less than “A-/A3.”
- Risk Based Capital Ratio must be 250% or greater.

BANKS

At the time of purchase, Banks utilized as wrap providers by the Fund will meet the following criteria:

- An average Long-Term Counterparty/Issuer Rating of at least “A/A2” from S&P and Moody’s.
- Any Long-Term Counterparty/Issuer Rating cannot be less than “A-/A3.”
- Assets of at least \$10 billion.

APPROVED INVESTMENTS

In general, the assets may be various high-quality fixed income investments that, in the aggregate, will provide stable account values.

A. INVESTMENT CONTRACTS

Investment contracts selected for the Fund are those that are acceptable to the Investment Manager considering creditworthiness, contract features, and administrative capabilities at the time of purchase. Investment contracts contain provisions requiring the issuing institution to provide plan-permitted liquidity from the Fund as needed to satisfy participant-initiated withdrawal requests without reflecting changes in capital value in the amounts withdrawn; provided that the withdrawals are made in accordance with the terms of the investment contracts.

(1) Traditional Investment Contracts (including GICs)

Approved traditional investment contracts, including guaranteed investment contracts (GICs), may be purchased from insurance companies, banks, or other institutions. A traditional investment contract is a direct obligation backed by the creditworthiness of the issuing entity.

(2) Separate Account Contracts

Approved separate account contracts may be purchased from insurance companies. The investment performance of these contracts is typically related to a portfolio of investments held inside the separate account. The assets are held in a separate account, are owned by the contract issuer and are protected from other creditors of the issuer. The acceptable assets held in separate account contracts are described in Section B Acceptable Assets below.

(3) Security Backed Investment Contracts (Synthetic GICs)

Approved security backed investment contracts (synthetic GICs, or “wrap” contracts) may be purchased from insurance companies, banks, or other financial institutions. The investment performance of these contracts is typically related to a portfolio of investments owned by the Fund covered by the contract. The acceptable assets held inside security investment contracts are described in Section B Acceptable Assets below.

B. ACCEPTABLE ASSETS

Acceptable assets include ERISA-eligible, U.S. dollar denominated, publicly or privately issued fixed-, floating- or variable-rate obligations of the following entities or types:

- U.S. Treasury
- U.S. agency or government-sponsored entity
- Mortgage pass-through securities (MBS), including To-Be-Announced (TBA) mortgage rolls
- Structured securities issued by various kinds of trusts, such as:

- commercial mortgage-backed securities (CMBS)
 - collateralized mortgage obligations (CMO)
 - asset backed securities (ABS)
- U.S. or non-U.S. corporations
- Municipalities
- Trusts, including but not limited to, trust preferred securities, asset-backed securities, REMICs and units in a group trust, private placement funds or in any similar pooled or collective investment fund.
- Shares of a regulated investment company
- Foreign government entities
- Mortgage-backed collateral
- Fixed income derivatives, such as futures, forwards, options or swap agreements (including, without limitation, interest rate swaps, total return swaps and credit default swaps)
- Short-term investments (maturing, or invested in instruments maturing, in less than 12 months), including:
 - (1) U.S. Treasury and U.S. agency-issued securities
 - (2) Certificates of deposit and bankers' acceptances of U.S. banks
 - (3) Commercial paper
 - (4) Bank or other financial institution short-term investment accounts, including such accounts maintained by the Plan's trustee bank
- Repurchase agreements, provided that they are no longer than 90 days and have collateral that is marked to market daily.
- Other securities not listed above that are or become represented in the indices applicable to pooled or commingled investment funds and insurance company separate accounts utilized in the Fund as permitted in this Section B, provided that other constraints in these guidelines are not violated.

C. CREDIT QUALITY AND DIVERSIFICATION

- Traditional Investment Contract issuers must, at the time of purchase, be rated at least Aa3/AA- by Moody's, S&P, or other Nationally Recognized Statistical Rating Organization (NRSRO) and approved by the Investment Manager. The maximum percentage of the Fund invested with a Traditional Investment Contract issuer shall not exceed 10% of the Fund at the time of purchase. The maximum percentage of the Fund invested in Traditional Investment Contracts shall not exceed 25% of the Fund at the time of purchase.
- Separate Account Contract issuers must be approved by the Investment Manager at the time of purchase. The maximum percentage of the Fund invested with a specific Separate Account Contract issuer shall not exceed 25% of the Fund at the time of purchase.
- Security Backed Investment Contract issuers ("wrap" issuers) must be approved by the Investment Manager at the time of purchase. The maximum percentage

of the Fund invested with an individual Security Backed Investment Contract issuer shall not exceed 25% at the time of purchase.

- Acceptable Assets as described in Section B above must be rated at least investment grade or equivalent by Moody's, S&P, or other NRSRO at the time of purchase. In the case of units in a group trust, private placement fund or in any similar pooled or commingled fund and insurance company separate account included in the Fund or shares of a regulated investment company as provided in Approved Investments, Section B above, the dollar-weighted average credit quality of such fund's investments must be at least Aa3/AA- by Moody's, S&P or other NRSRO. Short-term investments as provided in Section B above must be rated at least A-1/P-1 at time of purchase. In the case of a split rated security, the higher rating applies.
- The Fund will maintain diversification across the various sectors of the fixed income market subject to the following maximum allocation constraints:

Sector	Maximum Allocation
Cash	100%
Treasuries	95%
Agencies	25%
Corporates	40%
Mortgage Backed Securities	55%
Commercial Mortgage Backed Securities	20%
Asset Backed Securities	30%
Municipals	10%
Dollar Denominated Sovereign Debt	20%

- The Fund's investment with any specific investment manager may not exceed 25% of the Fund's assets.
- The minimum average credit quality of the Fund's investments must be Aa2/AA by Moody's, S&P, or other NRSRO.

D. DURATION

The Fund shall normally be managed with a weighted average duration of not less than two nor more than four years. Short-term investments must be included in the calculation of the Fund's duration. While a range of two to four years is indicated, the Fund will be managed opportunistically, consistent with the investment objectives set forth above.

The Investment Manager is permitted to manage the Fund with a duration as short as zero if it judges that such action is prudent to protect principal in the Fund.

E. OTHER CONSTRAINTS

The Investment Manager may use derivatives to replicate cash investments, manage yield curve or other risk positions, and to pursue investment strategies generally allowed under these guidelines. In no instance can derivatives be used in a manner inconsistent with the other constraints herein. That is, the use of derivatives must abide by the duration, credit quality, and all other constraints under these guidelines. At no time are derivatives to be used to leverage the Fund's investment.

F. LIQUIDITY MANAGEMENT

In addition to holding short-term investments or other fixed income vehicles allowing ready access to cash for the Fund's liquidity needs, the Investment Manager may utilize other liquidity tools such as lines of credit and other appropriate borrowing arrangements on behalf of the Fund. These vehicles may be used as short-term measures to provide cash as needed for honoring Plan participant withdrawal and transfer requests.

REVIEW PROCEDURES – TOTAL FUND

Review performance no less frequently than annually based on the standards of measurement defined below:

- **Diversification:** The Fund's diversification objective is to limit the amount invested with any financial institution to 25% of the Fund's assets. In addition, the Fund's allocation of assets to any issuer of general obligation contracts shall not exceed 10% of the Fund's assets and may not represent more than 1% of an issuing institution's admitted assets.
- **Duration:** The dollar-weighted duration of the Fund is to be maintained between two and four years.
- **Credit Quality:** The Fund will maintain a weighted average quality rating of "AA" ("Aa2") or better. This rating will reflect the average Claims-Paying Ability Ratings for insurance companies and the average rating for underlying assets in synthetic contracts and separate account contracts.
- **Performance:** Performance will be evaluated on both a book value and on a market value basis. On a book value basis, over rolling three-year periods, the net total return of the Fund will be evaluated against the following minimum standards.

(1) The return on 3-month United States Treasury Bills plus 1.5%

(2) The return on 5-year United States Treasury Constant Maturity Series

The expected performance pattern will be a lag in rate responsiveness. That is, during periods of rising rates, the Fund's yield will normally increase more slowly than market rates, and during periods of falling rates the yield will decline more slowly than market rates. Over the course of a full interest rate cycle (3 to 5 years), the rate of return should equal or exceed the average rate for comparable maturity securities.

On a market value basis, performance will be evaluated on the Total Fund. The specific blended market value benchmark index will be:

3% Bloomberg US Treasury Bellwether 3-month Index
<p>47% Invesco Custom Short-Term Bond Index, which is a composite of:</p> <ul style="list-style-type: none"> • 25% Bloomberg 1-3 Year US Treasury • 10% Bloomberg USD Corporate Bond 1-5 Year • 10% Bloomberg US MBS • 10% Bloomberg 15-Year MBS • 15% Bloomberg CMBS ERISA Eligible Aaa 1-3.5 Year • 5% Bloomberg ABS Floating Rate Aaa • 25% Bloomberg Aaa ABS
<p>30% Invesco Custom Intermediate Bond Index, which is a composite of:</p> <ul style="list-style-type: none"> • 30% Bloomberg Intermediate US Treasury • 30% Bloomberg USD Corporate Bond 1-5 Year • 10% Bloomberg Intermediate Corporate • 25% Bloomberg US MBS • 5% Bloomberg CMBS ERISA Eligible AAA
<p>20% Invesco Custom Core Bond Index, which is a composite of:</p> <ul style="list-style-type: none"> • 15% Bloomberg 1-5 Year US Treasury • 20% Bloomberg Intermediate US Treasury • 35% Bloomberg US Corporate Investment Grade • 25% Bloomberg US MBS • 5% Bloomberg CMBS ERISA Eligible AAA

On a market value basis, performance will also be evaluated on the underlying investment portfolios. The underlying investment portfolios are expected to exceed the performance of their appropriate benchmark index on a net-of-fee basis over the trailing 3- and 5-year periods.

Performance comparisons will be used to determine whether the current strategy for the Fund is achieving the stated objectives. In addition, the rates of return achieved by the Fund, on an absolute basis, will be monitored to determine if it remains a viable investment option for the Plan relative to other investment alternatives.

Appendix D Transition Guidelines

Objective

The purpose of this transition management policy is to establish an effective and efficient procedure for transitioning assets during manager replacement, funding a new asset class or investment manager or the restructuring of the investment options.

The Transition Manager (the “Manager”) will receive a portfolio (the “Portfolio”) of assets and shall seek to restructure the Portfolio to accomplish one of the following: a) to resemble and approximately track the performance of an index; b) to match as closely as possible a model portfolio provided to Manager; or c) another goal as specified by the Savings Plan (the “Plan”) in a manner that will minimize total transaction costs (commissions plus market impact).

Transition Details

It is expected that the Manager will provide a pre-trade analysis that includes the following:

- The approximate amount of assets to be transitioned
- Base Currency (i.e., currency into which sale proceeds that are not reinvested should be converted)
- Target date(s) for completion of the transition of the Portfolio
- Total transaction costs including commissions and market impact
- Benchmarks for assessing the success of the transition
- Performance guarantee
- Investment Restrictions (if any)

The Plan acknowledges that certain securities in the Portfolio may be difficult to liquidate due to certain factors not within the control of Manager, including volume constraints. Unless otherwise directed, Manager will take an incremental approach to the liquidation of such securities to attempt to minimize transaction and market impact costs.

During the course of the transition, there is no limit on the percentage of assets that may be in cash. Proceeds of sales and any other cash that is not needed by Manager for reinvestment will be converted to the Base Currency and transferred out of the Portfolio as directed by the Plan.

Manager will not liquidate a security it has purchased (e.g., as part of the restructured portfolio) without the consent of the Plan.

Affiliate Transactions

Manager is instructed to undertake cross-trading with other investment funds, accounts or portfolios sponsored, maintained, trusted, or managed by Manager or any affiliate of Manager to the extent permitted by law. The Plan acknowledges that it has been fully informed of the cross-trading techniques which will be utilized for the Portfolio by the Manager.

The Plan has authorized Manager to trade through Manager's affiliated brokers.

Reporting and Reconciliation

Manager will provide a report at mutually agreed intervals that summarizes the activities and results of the transition. The report will include the amount of trade proceeds, a breakdown of assets traded and of the kind of trading done (e.g., trades crossed within the firm and externally, and traded in the open market) and their costs. Manager will also include a comparison of the Pre-Bid Analysis and Post Trading Report which reports on the performance of any liquidation or restructuring and the costs associated therewith as determined by the implementation shortfall. Manager will provide analysis associated with the performance guarantee provided as part of the pre-trade analysis.

Manager will periodically reconcile its accounting of transactions, security positions and cash to the Plan's custodian's records. The Plan shall instruct its custodian to provide all necessary information and cooperation to Manager to facilitate Manager's reconciliation.

Appendix E Proxy Policy Statement

This statement sets forth the guidelines of the County of Los Angeles Savings Plan (the Plan) regarding the voting of client proxies.

The Plan's policy is designed to reflect the fiduciary duty to vote proxies in favor of shareholder interests. In determining our vote, we will not subordinate the economic interest of the plan participants to any other entity or interested party.

The Plan directs its Proxy Voting Agent to cast its proxies in a timely manner solely in the interests of the participants and beneficiaries of the Plan for the exclusive purpose for providing benefits to participants and their beneficiaries and defraying the reasonable expenses of administering the Plan with care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity familiar with such matters would use in the conduct of an enterprise of like character and with like aims in accordance with the documents and instruments governing the Plan.

Each proxy will be reviewed on a case-by-case basis with final decisions based on the merits of each case. In reviewing the proxy issues, we will use the following Issue Guidelines for each of the categories of issues listed below. If any conflicts of interest should arise, the Proxy Voting Agent will resolve them pursuant to the steps prescribed in the Administrative Procedures section below.

Issue Guidelines

Election of Directors

The members of the boards of directors are elected by shareholders to represent the shareholders' interests. This representation is most likely to occur if two-thirds of the members are independent outsiders as opposed to insider directors (such as long-tenured directors of 10 years or more, senior management employees, former employees, relatives of management or contractors with the company). If two-thirds of the board is not represented by independent outsiders, a vote will usually be cast to withhold authority on the inside directors.

Boards should be composed of directors who, collectively, are best equipped to effectively oversee the company's strategy for creating and protecting firm value. Accordingly, we encourage board diversity. Diverse perspectives, skills, expertise, and backgrounds may enhance the board's decision-making and ability to exercise prudent oversight on shareowners' behalf. We view diversity broadly and believe diverse boards may encompass considerations such as professional background, expertise, skills, age, race, gender, ethnicity, geography, sexual orientation, and gender identity. Board nominating policies and practices should define and reflect the board's view of diversity.

Other factors that will be considered when reviewing candidates will be the number of corporate boards on which they already serve (CEOs should serve on no more than one other corporate board; while non-CEO directors with fulltime jobs should serve on no more than three other boards and no individual should serve on more than five other boards), whether they have pledged a substantial amount of company stock, their performance on committees and other boards, the company's short-term and long-term financial performance under the incumbent candidates, the company's responsiveness to shareholder concerns (particularly the responsiveness to shareholder proposals that were approved by a majority of shareholders in the past 12 months) and other important corporate constituents, the overall conduct of the company (e.g., excessive executive compensation, adopting anti-takeover provisions without shareholder approval) and not attending at least 75% of Board and Committee meetings unless there is a valid excuse. Votes may be cast against nominating committee members where companies fail to provide the criteria necessary to determine the composition of the board and whether it is sufficiently diverse.

Recently, more emphasis has been placed on the independence of key Board committees—audit, compensation and nominating committees. It is in the best interests of shareholders for only independent directors to serve on these committees. Votes will be withheld from any insider nominee who serves on these committees. Votes will also be cast against board chairs concurrently serving as CEOs or are otherwise non-independent. An independent chair helps avoid any conflicts of interest in the board's role of overseeing management.

Directors will not be supported where the board has failed in its oversight responsibilities (such as where there is significant corporate misbehavior, repeated financial restatements or inadequate responses to systemic risks including climate change that may have a material impact on performance).

In contested elections of directors, the competing slates will be evaluated upon the personal qualifications of the candidates, the quality of the strategic plan they advance to enhance long-term corporate value, management's historical track record, the background to the proxy contest and the equity ownership positions of individual directors.

Ratification of Auditors

The ratification of auditors used to be universally considered a routine proposal, but a disturbing series of audit scandals at publicly-traded companies and SEC-mandated disclosures that revealed auditors were being paid much more for "other" work at companies in addition to their "audit" work have demonstrated that the ratification of auditors needs to be scrutinized as much as the election of directors.

Although the Sarbanes-Oxley Act of 2002 attempted to address the issue of auditor conflicts of interest, it still allows auditors to do substantial "other" work (primarily in the area of taxes) for companies that they audit. Therefore, the Proxy Voting Agent will weigh the amount of the non-audit work and if it is so substantial as to give rise to a conflict of interest, it will vote against the ratification of auditors. Concern will be raised

if the non-audit work is more than 20% of the total fees paid to the auditors. Other factors to weigh will be if the auditors provide tax avoidance strategies, the reasons for any change in prior auditors by the company, and if the same firm has audited the company for more than seven years.

Routine Proposals

Routine proposals are most commonly defined as those which do not change the structure, by laws, or operation of the company to the detriment of the shareholders.

Traditionally, these issues include:

- Indemnification provisions for directors;
- Liability limitations of directors;
- Stock splits/reverse stock splits;
- Name changes.

Given the routine nature of these proposals, proxies will usually be voted with management. However, each will be examined carefully. For example, limitations on directors' liability will be analyzed to ensure that the provisions conform with the law and do not affect their liability for such actions as the receipts of improper personal benefits or the breach of their duty of loyalty. The analysis of a proposal to limit directors' liability would also take into consideration whether any litigation is pending against current board members.

Non-Routine Proposals

Issues in this category are more likely to affect the structure and operation of the company and, therefore will have a greater impact on the value of a shareholder's investment. We will review each issue in this category on a case-by-case basis.

As previously stated, voting decisions will be made based on the financial interest of the plan beneficiaries. Non-routine matters include:

Mergers/Acquisitions and Restructuring (See also Reincorporating/Inversions)

Our analysis will focus on the strategic justifications for the transaction and the fairness of any costs incurred.

Advisory Votes on Compensation Policies and Practices

To evaluate compensation policies and practices, the threshold query is "does a company's compensation reflect its performance?" This will be determined by how a company has performed for shareholders compared to its peer group as well as by how a company has compensated its executives compared to its peer group. Whether restricted stock awards are time vesting or performance vesting will also be taken into consideration. Additional queries will be made to determine the level of dilution in stock compensation plans, and to ascertain if golden parachutes have been awarded to executives and, if they have, whether they pay tax gross-ups. The ratio of pay to the CEO as compared to the average worker will also be taken into consideration as well as whether companies adjust

GAAP metrics and the robustness of the explanatory disclosure. The threshold query will carry the most weight, but the additional queries can be persuasive in the event the answer to the threshold query is not clear cut. There will also be an option as to whether the company should have these advisory votes on compensation on an annual basis or every two or three years. An annual basis is in the best interests of shareholders.

Advisory Votes on Severance Packages in Connection with Mergers/Acquisitions

The factors to weigh are whether the total payment is in excess of 2.99 times salary and bonus, whether excise taxes are grossed-up, if there is a double trigger for cash payments and whether the accelerated vesting of stock awards is excessive.

Fair-Price Provisions

These attempts to guard against two-tiered tender offers in which some shareholders receive less value for their stock than other shareholders from a bidder who seeks to take a controlling interest in the company. There can be an impact on the long-term value of holdings in the event shareholders do not tender. Such provisions must be analyzed on a case-by-case basis.

Reincorporating/Inversions

A company usually changes the state or country of its incorporation to take advantage of tax and corporate laws in the new state or country. These advantages should be clear and convincing and be supported by specific, legitimate business justifications that will enhance the company's long-term value to shareholders and will be weighed along with any loss in shareholder rights and protections (e.g., dilution of management accountability and liability, anti-takeover devices), reputational risk, damage to governmental relationships, adverse impact on the company's employees and erosion of the local/state/Federal tax base.

Changes in Capitalization

Our inquiry will study whether the change is necessary and beneficial in the long run to shareholders. Creation of blank check preferred stock, which gives the board broad powers to establish voting, dividend and other rights without shareholder review, will be opposed.

Increase in Preferred and Common Stock

Such increases can cause significant dilution to current shareholder equity and can be used to deter acquisitions that would be beneficial to shareholders. We will determine if any such increases have a specific, justified purpose and if the amounts of the increase are excessive.

Stock/Executive Compensation Plans

The purpose of such plans should be to reward employees or directors for superior performance in carrying out their responsibilities and to encourage the

same performance in the future. Consequently, the plan should specify that awards are based on the executive's/director's and the company's performance. In the case of directors, their attendance at meetings should also be a requirement. In evaluating such plans we will also consider whether the amount of the shares cause significant dilution (5% or more) to current shareholder equity, how broad based and concentrated the grant rates are, if there are holding periods, if the shares are sold at less than fair market value, if the plan contains change-in-control provisions that deter acquisitions, if the plan has a reload feature, and if the plan allow the repricing of "underwater" options.

Employee Stock Purchase Plans

These are broad-based plans, federally regulated plans which allow almost all fulltime and some part-time workers to purchase limited amounts of company stock at a slight discount. Usually the amount of dilution is extremely small. They will normally be supported because they do give workers an equity interest in the company and better align their interests with shareholders.

Creation of Tracking Stock

Tracking stock is designed to reflect the performance of a particular business segment. The problem with tracking stocks is they can create substantial conflicts of interest between shareholders, board members and management. Such proposals must be carefully scrutinized, and they should be supported only if a company makes a compelling justification for them.

Approving Other Business

Some companies seek shareholder approval of management being given broad authority to take action at a meeting without shareholder consent. Such proposals are not in the best interests of shareholders and will be opposed.

Corporate Governance Proposals

We will generally vote against any management proposal that is designed to limit shareholder democracy and has the effect of restricting the ability of shareholders to realize the value of their investment. Proposals in this category would include:

Golden Parachutes

These are special severance agreements that take effect after an executive is terminated following a merger or takeover. In evaluating such proposals, we will consider the salaries, bonuses, stock option plans and other forms of compensation already available to these executives to determine if the additional compensation in the golden parachutes is excessive. Shareholder proposals requesting that they be approved by shareholders will be supported.

Greenmail Payments

Greenmail is when a company agrees to buy back a corporate raider's shares at a premium in exchange for an agreement by the raider to cease takeover activity. Such payments can have a negative impact on shareholder value. Given that

impact, we will want there to be a shareholder vote to approve such payments and we will insist that there be solid economic justification before ever granting such approval.

Super Majority Voting

Some companies want a super majority (e.g., 66%) vote for certain issues. We believe a simple majority is generally in the best interest of shareholders and we will normally vote that way unless there is strong evidence to the contrary.

Dual Class Voting

Some companies create two classes of stock with different voting rights and dividend preferences. We will examine the purpose that is being used to justify the two classes as well as to whom the preferred class of stock is being offered. Proposals that are designed to entrench company management or a small group of shareholders at the expense of the majority of shareholders will not be supported. Proposals that seek to enhance the voting rights of long-term shareholders will be given careful consideration.

Fair Price Proposals

These require a bidder in a takeover situation to pay a defined “fair price” for stock. Our analysis will focus on how fairly “fair price” is defined and what other anti-takeover measures are already in place at the company that might discourage potential bids that would be beneficial in the long term to shareholders.

Classified Boards

These are boards where the members are elected for staggered terms. The most common method is to elect one-third of the board each year for three-year terms. We believe the accountability afforded by the annual election of the entire board is very beneficial to stockholders and it would take an extraordinary set of circumstances to develop for us to support classified boards.

Shareholders’ Right To Call Special Meetings and Act By Written Consent

These are important rights for shareholders and any attempts to limit or eliminate them should be resisted. Proposals to restore them should be supported.

Shareholder Proposals

Proposals submitted by shareholders for vote usually include issues of corporate governance and other non-routine matters. We will review each issue on a case-by-case basis in order to determine the position that best represents the financial interest of the plan beneficiaries. Shareholders matters include:

Poison Pill Plans

These plans are designed to discourage takeovers of a company, which can deny shareholders the opportunity to benefit from a change in ownership of the company. Shareholders have responded with proposals to vote on the plans or

to redeem them. In reviewing such plans, we check whether the poison pill plans were initially approved by shareholders and what anti-takeover devices are already in place at the company.

Independence of Boards and Auditors

The wave of corporate/audit scandals at the start of the 21st Century provided compelling evidence that it is in the best interests of shareholders to support proposals seeking increased independence of boards (e.g., requiring supermajority of independents on boards, completely independent nominating, compensation and audit committees, stricter definitions of “independence”, disclosures of conflicts of interest) and auditors (e.g., eliminate or limit “other” services auditors perform, rotation of audit firms). A related issue is the independence of analysts at investment banking firms. Proposals seeking to separate the investment banking business from the sell-side analyst research and IPO allocation process should be supported.

Cumulative Voting

This allows each shareholder to vote equal to the number of shares held multiplied by the number of directors to be elected to the board. Shareholders can then target all their votes for one of a few candidates or allocate them equally among all candidates. It is one of the few ways shareholders can attempt to elect board members. In studying cumulative voting proposals, we will review the company’s election procedures and what access shareholders have to the nominating and voting process.

Confidential Voting

Most voting of proxies in corporate America is not confidential. This opens the process to charges that management pressures shareholders or their investment managers to vote in accordance with management’s recommendations. We believe the concept of confidential voting is so fundamental to the democratic process and is so much in the best interest of shareholders that we would oppose it only in the most extraordinary circumstances.

Shareholder Access To the Proxy For Director Nominations

Proposals to provide shareholders access to the company proxy statement to advance non-management board candidates will generally be supported if they are reasonably designed to enhance the ability of substantial shareholders to nominate directors and are not being used to promote hostile takeovers.

Separate Chairperson and Chief Executive Officer

The primary purpose of the board of directors is to protect shareholder interests by providing independent oversight of management. If the Chair of the Board is also the Chief Executive Officer of the company, the quality of oversight is obviously hindered. Therefore, proposals seeking to require that an independent director serve as Chair of the Board will be supported. An alternative to this proposal would be the establishment of a lead independent director, who would

preside at meetings of the board's independent directors and coordinate the activities of the independent directors.

Term Limit For Directors

Proposals seeking to limit the term for directors will normally not be supported because they can deny shareholders the service of well-qualified directors who have effectively represented shareholder interests.

Broader Participation On Boards

A more diverse board of qualified directors is in the best interests of shareholders. Therefore, proposal requesting companies to make efforts to seek more qualified women and minority group members will be supported.

Greater Transparency and Oversight

Shareholders benefit from full disclosure of board practices and procedures, company operating practices and policies, business strategy, and the way companies calculate executive compensation. Proposals seeking greater disclosure on these matters will generally be supported.

Executive/Director Compensation

Proposals seeking to tie executive and director compensation to specific performance standards, to impose reasonable limits on it or to require greater disclosure of it are in the best interests of shareholders. The expense of options should be included in financial statements (as required in Canada). Financial performance is the traditional measurement for executive compensation—the more specific the better. Where executive pay is based on metrics that are improved through share repurchases, the impact of repurchases should be neutralized to avoid artificially inflating executive pay. Other performance measures can be a useful supplement to the traditional financial performance measurement and are worthy of consideration. Examples are regulatory compliance, international labor standards, high performance workplace standards and measures of employee satisfaction.

High Performance Workplaces

We will support proposals encouraging the high-performance workplace practices identified in the Department of Labor's report that contribute to a company's productivity and long-term financial performance.

Codes of Conduct

Proposals seeking reports on and/or implementation of such commonly accepted principles of conduct as the Ceres Principles (environment), MacBride Principles (Northern Ireland), Code of Conduct for South Africa, United Nations' International Labor Organization's Fundamental Conventions, fair lending practices and the U.S. Equal Employment Opportunity Commission are in the best interests of shareholders because they provide useful information and promote compliance with the principles.

Pension Choice

There has been a recent trend by companies to convert traditional defined benefit pension plans into cash-balance plans. This has proved controversial because cash-balance plans often hurt older workers and may be motivated by a company's desire to inflate its book profits by boosting surpluses in its pension trust funds. Proposals giving employees a choice between maintaining their defined benefits or converting to a cash-balance will generally be supported.

Say on Pay

Shareholders in the United Kingdom, Australia, Norway, the Netherlands and Sweden have had an advisory vote on companies' compensation reports for several years. Say on Pay proposals will be supported because they give shareholders meaningful input on a company's approach to executive compensation without entangling them with the micromanagement of specific plans.

Majority Vote Standard for Director Elections

For years, most boards of directors were elected by a plurality vote standard—nominees who get the most votes win. In a non-contested election (which most are) the only vote options are “for” and “withhold authority.” That means a nominee could have only one share cast “for” him/her and still be elected, regardless of how many shareholders withheld their votes for that nominee. Therefore, proposals requesting that nominees in non-contested elections receive a majority of the votes cast will be supported.

Administrative Procedures

The Plan approves the following procedures for receipt and voting of proxies by its Proxy Voting agent:

1. The Plan notifies the custodian bank to forward all proxies to its Proxy Voting Agent.
2. The Proxy Voting Agent tracks the portfolio to ensure current listing of all securities held.
3. The Proxy Voting Agent tracks the shareholders meeting dates to ensure that all proxies are voted on time.
4. The Proxy Voting Agent notifies the Plan's custodian of any missing or improper proxies to secure all proxies due the Fund.
5. The Proxy Voting Agent provides a report annually on shares voted and positions taken. The Plan is able to contact the Proxy Voting Agent at any time to find out how the Proxy Voting Agent has voted on a particular issue.

6. The Securities and Exchange Commission (SEC) has expressed concern that proxy-voting agents may have material conflicts that can affect how they vote proxies. The SEC notes that advisers may render services to a publicly traded company or they may have business or personal relationships with participants in proxy contests, corporate directors or candidates for directorships. Since the Plan's Proxy Voting Agent does not render services to publicly traded companies and we do have a comprehensive, detailed proxy voting policy that dictates the overwhelming majority of our votes, it is extremely unlikely that such material conflicts will arise. If they do, any employee of the Proxy Voting Agent will immediately recuse himself/herself from the analysis/voting of the pertinent issue and the Proxy Voting Agent's General Counsel will deal with the issue. If the Proxy Voting Agent's General Counsel also has a material conflict, the General Counsel will recuse himself/herself and refer the issue to the Proxy Voting Agent's President. If the Proxy Voting Agent's President also has a material conflict, the President will recuse himself/herself and the issue will be referred to the Proxy Voting Agent's outside law firm for resolution.
7. For SEC record keeping purposes, the Proxy Voting Agent will retain copies of (i) the Plan's proxy voting policies and procedures; (ii) proxy statements received as preserved through access to the SEC's EDGAR system; (iii) records of the votes it cast as preserved on the Proxy Voting Agent's proxy voting platform; (iv) records of the Plan's requests for proxy voting information; (v) documents the Proxy Voting Agent prepared material to making a decision on how to vote as preserved on the Proxy Voting Agent's proxy voting platform.

COUNTY OF LOS ANGELES PENSION SAVINGS PLAN STABLE ASSET FUND INVESTMENT POLICY STATEMENT

PURPOSE

The purpose of the Stable Asset Fund (the Fund) is to provide participants of the County of Los Angeles Pension Savings Plan (the Plan) the opportunity to accumulate capital through a fixed income investment vehicle in a tax-advantaged environment by emphasizing current income.

OBJECTIVES

The primary objective of the Fund is to provide for the preservation of capital regardless of interest rate fluctuations.

The secondary objective of the Fund is to generate current income with limited or no volatility in the book value of fund assets. The generation of a current income over time will be comparable to the income produced by intermediate term U.S. Treasury notes of like maturity. To achieve these objectives, the Fund must meet the following participant expectations:

- safety of principal;
- high real rate of return consistent with safety of principal;
- book value liquidity in accordance with Plan provisions; and
- responsiveness to changing interest rate environments.

The Fund will provide all participants with one blended rate of interest. The Fund's blended interest rate will reflect the dollar-weighted average of the interest rates applicable to each investment held by the Fund, and will be credited to all participants in the Fund, regardless of the timing of contributions or other cash flows. All contracts will permit benefit payments and in-service withdrawals which are authorized by the Plan.

INVESTMENT STRATEGY

The target asset allocation of the Fund reflecting allocations to broad market benchmarks is as follows:

- 3% Bloomberg U.S. Treasury Bellwether 3-Month Index
- 47% Invesco Custom Short-Term Bond Index
- 30% Invesco Custom Intermediate Bond Index
- 20% Invesco Custom Core Bond Index

These are target allocations that may vary over time given market conditions and Fund cash flows.

INSURANCE COMPANY MINIMUM CREDIT QUALITY CRITERIA

At the time of purchase, insurance companies selected by the Fund will meet the following criteria:

For General Obligation Products

- An “A” (Excellent) or higher rating from A.M. Best Company or a comparable rating from Fitch, Moody’s or Standard & Poor’s (S&P).
- Invested assets of at least \$2.0 billion and adjusted policyholder surplus of \$200 million.
- At least two Claims-Paying Ability type ratings from the major rating services A.M. Best Company, Fitch, Moody’s, and S&P.
- An average Claims-Paying Ability Rating of at least “AA-/Aa3” from S&P, Fitch or Moody’s.
- Claims-Paying Ability Rating from any of the above agencies cannot be less than “A+” (“A1”).
- Risk Based Capital Ratio must be 250% or greater.

For Non-General Obligation Products

- An “A” (Excellent) or higher rating from A.M. Best Company or a comparable rating from Fitch, Moody’s or S&P.
- Invested assets of at least \$2.0 billion and adjusted policyholder surplus of \$200 million.
- At least two Claims-Paying Ability type ratings from the major rating services A.M. Best Company, Fitch, Moody’s, and S&P.
- An average Claims-Paying Ability Rating of at least “A/A2” from S&P, Fitch or Moody’s.
- Claims-Paying Ability Rating from any of the above agencies cannot be less than “A-/A3.”
- Risk Based Capital Ratio must be 250% or greater.

BANKS

At the time of purchase, Banks utilized by the Fund to provide wrap contracts will meet the following criteria:

- An average Long-Term Counterparty/Issuer Rating of at least “A/A2” from S&P and Moody’s.
- Any Long-Term Counterparty/Issuer Rating cannot be less than “A-/A3.”
- Assets of at least \$10 billion.

APPROVED INVESTMENTS

In general, the assets may be various high-quality fixed income investments that, in the aggregate, will provide stable account values.

A. INVESTMENT CONTRACTS

Investment contracts selected for the Fund are those that are acceptable to the Investment Manager considering creditworthiness, contract features, and administrative capabilities at the time of purchase. Investment contracts contain provisions requiring the issuing institution to provide plan-permitted liquidity from the Fund as needed to satisfy participant-initiated withdrawal requests without reflecting changes in capital value in the amounts withdrawn; provided that the withdrawals are made in accordance with the terms of the contracts.

(1) Traditional Investment Contracts (including GICs)

Approved traditional investment contracts, including guaranteed investment contracts (GICs), may be purchased from insurance companies, banks, or other institutions. A traditional investment contract is a direct obligation backed by the creditworthiness of the issuing entity.

(2) Separate Account Contracts

Approved separate account contracts may be purchased from insurance companies. The investment performance of these contracts is typically related to a portfolio of investments held inside the separate account. The assets are owned by the contract issuer, are held in a separate account of the issuer and are protected from other creditors of the issuer. The acceptable assets held in separate account contracts are described in Section B Acceptable Assets.

(3) Security Backed Investment Contracts (Synthetic GICs)

Approved security backed investment contracts (synthetic GICs, or “wrap” contracts) may be purchased from insurance companies, banks, or other financial institutions. The investment performance of these contracts is typically related to a portfolio of investments owned by the Plan covered by the contract. The acceptable assets held inside security investment contracts are described in Section B Acceptable Assets.

B. ACCEPTABLE ASSETS

Acceptable assets include ERISA-eligible, U.S. dollar denominated, publicly or privately issued fixed-, floating- or variable-rate obligations of the following entities or types:

- U.S. Treasury
- U.S. agency or government-sponsored entity
- Mortgage pass-through securities (MBS), including To-Be-Announced (TBA) mortgage rolls
- Structured securities issued by various kinds of trusts, such as:
 - commercial mortgage-backed securities (CMBS)
 - collateralized mortgage obligations (CMO)
 - asset backed securities (ABS)
- U.S. or non-U.S. corporations
- Municipalities
- Trusts, including but not limited to, trust preferred securities, asset-backed securities, REMICs and units in a group trust, private placement fund or in any similar pooled or collective investment fund.
- Shares of a regulated investment company
- Foreign government entities
- Mortgage-backed collateral
- Fixed income derivatives, such as futures, forwards, options or swap agreements (including, without limitation, interest rate swaps, total return swaps and credit default swaps)
- Short-term investments (maturing, or invested in instruments maturing, in less than 12 months), including:
 - (1) U.S. Treasury and U.S. agency-issued securities
 - (2) Certificates of deposit and bankers' acceptances of U.S. banks
 - (3) Commercial paper
 - (4) Bank or other financial institution short-term investment accounts, including such accounts maintained by the Plan's trustee bank
- Repurchase agreements, provided that they are no longer than 90 days and have collateral that is marked to market daily.
- Units of separate accounts available through Separate Account Contracts offered by insurance companies approved by the Manager.
- Other securities not listed above that are or become represented in the indices applicable to pooled or commingled investment funds utilized in the Account as permitted in this Section B, provided that other constraints in these guidelines are not violated.

C. CREDIT QUALITY AND DIVERSIFICATION

- Traditional Investment Contract issuers must, at the time of purchase, be rated at least Aa3/AA- by Moody's, S&P, or other Nationally Recognized Statistical Rating Organization (NRSRO) and approved by the Investment Manager. The maximum percentage of the Account invested with a Traditional Investment Contract issuer shall not exceed 10% of the Fund at the time of purchase. The maximum percentage of the Fund invested in Traditional Investment Contracts shall not exceed 25% of the Fund at the time of purchase.

- Separate Account Contract issuers must be approved by the Investment Manager at the time of purchase. The maximum percentage of the Fund invested with an individual Separate Account Contract issuer shall not exceed 25% of the Fund at the time of purchase.
- Security Backed Investment Contract issuers (“wrap” issuers) must be approved by the Investment Manager at the time of purchase. The maximum percentage of the Fund invested with an individual Security Backed Investment Contract issuer shall not exceed 25% at the time of purchase.
- Acceptable Assets as described in Section B above must be rated at least investment grade or equivalent by Moody’s, S&P, or other NRSRO at the time of purchase. In the case of units in a Group Trust or in any similar pooled or commingled fund and insurance company separate account included in the Fund or shares of a regulated investment company as provided in Approved Investments, Section B above, the dollar-weighted average credit quality of such fund’s investments must be at least Aa3/AA- by Moody’s, S&P or other NRSRO. Short-term investments as provided in Approved Investments B above must be rated at least A-1/P-1 at time of purchase. In the case of a split rated security, the higher rating applies.
- The Fund will maintain diversification across the various sectors of the fixed income market subject to the following maximum allocation constraints.

Sector	Maximum Allocation
Cash	100%
Treasuries	95%
Agencies	25%
Corporates	40%
Mortgage Backed Securities	55%
Commercial Mortgage Backed Securities	20%
Asset Backed Securities	30%
Municipals	10%
Dollar Denominated Sovereign Debt	20%

- The Fund’s investment with any specific investment manager may not exceed 25% of the Fund’s assets.
- The minimum average credit quality of the Fund’s investments must be Aa2/AA by Moody’s, S&P, or other NRSRO.

D. DURATION

The Fund shall normally be managed with a weighted average duration of not less than two nor more than four years. Short-term investments must be included in the calculation of the Fund's duration. While a range of two to four years is indicated, the Fund will be managed opportunistically, consistent with the investment objectives set forth above.

The Investment Manager is permitted to manage the Fund with a duration as short as zero if it judges that such action is prudent to protect principal in the Fund.

E. OTHER CONSTRAINTS

The Investment Manager may use derivatives to replicate cash investments, manage yield curve or other risk positions, and to pursue investment strategies generally allowed under these guidelines. In no instance can derivatives be used in a manner inconsistent with the other constraints herein. That is, the use of derivatives must abide by the duration, credit quality, and all other constraints under these guidelines. At no time are derivatives to be used to leverage the Fund's investment.

F. LIQUIDITY MANAGEMENT

In addition to holding short-term investments or other fixed income vehicles allowing ready access to cash for the Fund's liquidity needs, the Investment Manager may utilize other liquidity tools such as lines of credit and other appropriate borrowing arrangements on behalf of the Fund. These vehicles may be used as short-term measures to provide cash as needed for honoring Plan participant withdrawal and transfer requests.

REVIEW PROCEDURES – TOTAL FUND

Review performance no less frequently than annually based on the standards of measurement defined below:

- **Diversification:** The amount invested with any contract issuer may not exceed 25% of the Fund's balance. The Fund's investment with any specific investment manager may not exceed 25% of Fund's assets. In addition, the Fund's allocation of assets to any issuer of general obligation contracts shall not exceed 10% of the Fund's assets. This diversification guideline will apply to aggregate investment contract holdings. General obligation investments made for the Fund will not total more than 1% of an institution's admitted assets.
- **Duration:** The dollar-weighted average targeted maturity of the Fund shall be between two and four years.
- **Credit Quality:** The Fund will maintain a weighted average quality rating of "AA" ("Aa2") or better. This rating will reflect the average Claims-Paying Ability

Ratings for insurance companies and the average rating for underlying assets in synthetic contracts and separate account contracts.

- Performance: Performance will be evaluated on both a book value and on a market value basis. On a book value basis, over rolling three-year periods, the net total return of the Fund will be evaluated against the following minimum standards.

- (1) The return on 3-month United States Treasury Bills plus 1.5%
- (2) The return on 5-year United States Treasury Constant Maturity Series

The expected performance pattern will be a lag in rate responsiveness. That is, during periods of rising rates, the Fund's yield will normally increase more slowly than market rates, and during periods of falling rates the yield will decline more slowly than market rates. Over the course of a full interest rate cycle (3 to 5 years), the rate of return should equal or exceed the average rate for comparable maturity securities.

On a market value basis, performance will be evaluated on the Total Fund. The specific blended market value benchmark index will be:

3%	Bloomberg US Treasury Bellwether 3-month Index
47%	<p>Invesco Custom Short-Term Bond Index, which is a composite of:</p> <ul style="list-style-type: none"> • 25% Bloomberg 1-3 Year US Treasury • 10% Bloomberg USD Corporate Bond 1-5 Year • 10% Bloomberg US MBS • 10% Bloomberg 15-Year MBS • 15% Bloomberg CMBS ERISA Eligible Aaa 1-3.5 Year • 5% Bloomberg ABS Floating Rate Aaa • 25% Bloomberg Aaa ABS
30%	<p>Invesco Custom Intermediate Bond Index, which is a composite of:</p> <ul style="list-style-type: none"> • 30% Bloomberg Intermediate US Treasury • 30% Bloomberg USD Corporate Bond 1-5 Year • 10% Bloomberg Intermediate Corporate • 25% Bloomberg US MBS • 5% Bloomberg CMBS ERISA Eligible AAA
20%	<p>Invesco Custom Core Bond Index, which is a composite of:</p> <ul style="list-style-type: none"> • 15% Bloomberg 1-5 Year US Treasury • 20% Bloomberg Intermediate US Treasury • 35% Bloomberg US Corporate Investment Grade • 25% Bloomberg US MBS • 5% Bloomberg CMBS ERISA Eligible AAA

On a market value basis, performance will also be evaluated on the underlying investment portfolios. The underlying investment portfolios are expected to exceed the performance of their appropriate benchmark index on a net-of-fee basis over the trailing 3- and 5-year periods.

Performance comparisons will be used to determine whether the current strategy for the Fund is achieving the stated objectives. In addition, the rates of return achieved by the Fund, on an absolute basis, will be monitored to determine if it remains a viable investment option for the Plan relative to other investment alternatives.

APPENDIX B1 - STATEMENT OF WORK ATTACHMENTS

ATTACHMENT 2

**DEFERRED COMPENSATION AND THRIFT PLAN
STABLE INCOME FUND DISCRETIONARY AND INVESTMENT MANAGERS**

DISCRETIONARY MANAGER

Invesco Advisers, Inc. has the discretionary power to manage all the assets in the Plan's Stable Income Fund in accordance with the adopted Stable Income Policy Statement. Investments are sub-advised within Invesco Group Trusts (IGT) or held in a separate account.

<u>Underlying Fund</u>	<u>Duration</u>
Vanguard Money Market Fund ¹	Cash Manager
IGT Invesco	Short Duration Bond
IGT Jennison	Short Duration Bond
IGT Voya	Short Duration Bond
IGT Jennison	Intermediate Bond
IGT Loomis Sayles	Intermediate Bond
IGT PIMCO	Intermediate Bond
IGT Voya	Intermediate Bond
IGT Dodge & Cox	Core Bond
IGT Invesco	Core Bond
Prudential ¹	Core Bond

¹ Separate account

SAVINGS PLAN
STABLE VALUE FUND DISCRETIONARY AND INVESTMENT MANAGERS

DISCRETIONARY MANAGER

Invesco Advisers, Inc. has the discretionary power to manage all the assets in the Plan's Stable Income Fund in accordance with the adopted Stable Income Policy Statement. Investments are sub-advised within Invesco Group Trusts (IGT) or held in a separate account.

<u>Underlying Fund</u>	<u>Duration</u>
Vanguard Money Market Fund ¹	Cash Manager
IGT Invesco	Short Duration Bond
IGT Jennison	Short Duration Bond
IGT Voya	Short Duration Bond
IGT Jennison	Intermediate Bond
IGT Loomis Sayles	Intermediate Bond
IGT PIMCO	Intermediate Bond
IGT Voya	Intermediate Bond
IGT Dodge & Cox	Core Bond
IGT Invesco	Core Bond
Prudential ¹	Core Bond

¹ Separate account

PENSION SAVINGS PLAN
STABLE ASSET FUND DISCRETIONARY AND INVESTMENT MANAGERS

DISCRETIONARY MANAGER

Invesco Advisers, Inc. has the discretionary power to manage all the assets in the Plan's Stable Income Fund in accordance with the adopted Stable Income Policy Statement. Investments are sub-advised within Invesco Group Trusts (IGT) or held in a separate account.

<u>Underlying Fund</u>	<u>Duration</u>
Vanguard Money Market Fund ¹	Cash Manager
IGT Invesco	Short Duration Bond
IGT Jennison	Short Duration Bond
IGT Voya	Short Duration Bond
IGT Invesco	Intermediate Bond
IGT Jennison	Intermediate Bond
IGT Loomis Sayles	Intermediate Bond
IGT PIMCO	Intermediate Bond
IGT Voya	Intermediate Bond
IGT Dodge & Cox	Core Bond
IGT Invesco	Core Bond
Prudential ¹	Core Bond

¹ Separate account

APPENDIX B2

**STATEMENT OF WORK AND CONTRACT
EXHIBITS**

FOR

STABLE FUND CONSULTING SERVICES

REQUEST FOR PROPOSALS (RFP)

STATEMENT OF WORK AND CONTRACT EXHIBITS

Exhibit 1 – CONTRACT DISCREPANCY REPORT

Exhibit 2 – PERFORMANCE REQUIREMENTS SUMMARY CHART

**STATEMENT OF WORK AND CONTRACT EXHIBITS
EXHIBIT 1
CONTRACT DISCREPANCY REPORT**

TO:

FROM:

DATES:

Prepared: _____

Returned by Contractor: _____

Action Completed: _____

DISCREPANCY PROBLEMS: _____

Signature of PAC Representative

Date

CONTRACTOR RESPONSE (Cause and Corrective Action): _____

Signature of Contractor Representative

Date

**PAC EVALUATION OF
CONTRACTOR RESPONSE:**

Signature of Contractor Representative

Date

PAC ACTIONS: _____

CONTRACTOR NOTIFIED OF ACTION:

PAC Representative's Signature and Date _____

Contractor Representative's Signature and Date _____

**STATEMENT OF WORK AND CONTRACT EXHIBITS
EXHIBIT 2
PERFORMANCE REQUIREMENTS SUMMARY CHART**

CONTRACT				
SPECIFIC PERFORMANCE REFERENCE	SERVICE	MAXIMUM ALLOWED DEVIATION	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
Paragraph 7.2 Contractor's Contract Manager	Notify the PAC's Contract Administrator of changes in Contract Administration staff, with resume, within five business days.	None	Inspection and observation	\$50 per day that notification is late.
Paragraph 7.3 Approval of Contractor's Employees	Immediate removal of unacceptable Contract personnel.	One business day	Complaints, inspection, and observation	\$100 per occurrence of non-removal.
Paragraph 7.6 Background and Security Investigations	Ensure staff undergo background checks before servicing the Contract.	None	Complaints, inspection, and observation	\$500 per incident of staff member noncompliance.
	Notify the TTC of the names of staff and dates fingerprinted.	None	Inspection and observation	\$25 per incident of staff member noncompliance.

**STATEMENT OF WORK AND CONTRACT EXHIBITS
EXHIBIT 2
PERFORMANCE REQUIREMENTS SUMMARY CHART**

CONTRACT				
SPECIFIC PERFORMANCE REFERENCE	SERVICE	MAXIMUM ALLOWED DEVIATION	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
Paragraph 7.7 Confidentiality	Employee Acknowledgement and Confidentiality Agreement signed and provided to the TTC before servicing the Contract.	None	Review of reports; complaints	\$100 per day per staff member when form is not signed.
	Maintain the confidentiality of all records and information.	None	Observation; complaints	\$1,000 per unauthorized release of information.
Paragraphs 8.24 General Provisions for all Insurance Coverage and Paragraph 8.25 Insurance Coverage	Maintain required insurance policies and provide evidence of coverage to the TTC.	None	Receipt and review of insurance information	\$100 per day of lapsed coverage.
Paragraph 8.37 Publicity	Obtain County's advanced written permission to use County's name in advertisements.	None	Complaints, inspection, and observation	\$500 per occurrence of unpermitted use of the County name and/or logo in advertising.

**STATEMENT OF WORK AND CONTRACT EXHIBITS
EXHIBIT 2
PERFORMANCE REQUIREMENTS SUMMARY CHART**

CONTRACT				
SPECIFIC PERFORMANCE REFERENCE	SERVICE	MAXIMUM ALLOWED DEVIATION	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
Paragraph 8.38 Record Retention and Inspection/Audit Settlement	Contractor to maintain all documents as specified in Subparagraph 8.38.	One business day	Inspection of files	\$50 per occurrence of failure to produce required documents upon demand.
Paragraph 8.38.5 Financial Statements and Pending Litigation	Provide required financial statements according to schedule.	None	Receipt and review of financial statements	\$50 per day for failure to produce required documents upon demand.
Paragraph 8.40 Subcontracting	Contractor shall not subcontract any work.	None	Inspection and observation	\$500 per occurrence and possible termination for default.

**STATEMENT OF WORK AND CONTRACT EXHIBITS
EXHIBIT 2
PERFORMANCE REQUIREMENTS SUMMARY CHART**

STATEMENT OF WORK				
SPECIFIC PERFORMANCE REFERENCE	SERVICE	MAXIMUM ALLOWED DEVIATION	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
Statement of Work (SOW) Subparagraphs 3.1, 3.2, 3.3 Attendance and presentations at PAC meetings	The Contractor shall attend meetings to provide Annual Review and Update of the Stable Fund Investment Policy and Periodic Review of the Stable Fund's Performance in accordance to Subparagraphs 3.1, 3.2, 3.3.	None	Inspection, and/or Observation	\$1,000 per occurrence.
SOW Subparagraph 3.5 Review of Quarterly Crediting Rates <i>[not applicable for Pension Savings Plan]</i>	Review of Quarterly Crediting Rates in accordance to Subparagraph 3.5		Inspection, and/or Observation. Failure to review prior to new quarter.	\$1,000 per occurrence.



APPENDIX C

SAMPLE CONTRACT

CONTRACT

**BY AND BETWEEN
COUNTY OF LOS ANGELES
DEFERRED COMPENSATION AND THRIFT
PLAN ADMINISTRATIVE COMMITTEE**

**[SAVINGS PLAN AND PENSION SAVINGS PLAN CONTRACTS TO BE
SUBSTANTIALLY SIMILAR]**

AND

**CONTRACTOR
FOR
STABLE FUND CONSULTING SERVICES**

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EXHIBITS TO THE CONTRACT

STANDARD EXHIBITS

- A STATEMENT OF WORK
(NOT ATTACHED TO SAMPLE)
- A1 STATEMENT OF WORK ATTACHMENTS
(NOT ATTACHED TO SAMPLE)
- B PRICING SCHEDULE
(NOT ATTACHED TO SAMPLE)
- C STATEMENT OF WORK AND CONTRACT EXHIBITS
(NOT ATTACHED TO SAMPLE)
- D CONTRACTOR'S EEO CERTIFICATION
- E PAC'S ADMINISTRATION
- F CONTRACTOR'S ADMINISTRATION
- G FORMS REQUIRED AT THE TIME OF CONTRACT EXECUTION
(COVID-19 Vaccination Certification of Compliance and Confidentiality Forms)
 - G COVID-19 VACCINATION CERTIFICATION OF COMPLIANCE
 - G1 CONTRACTOR ACKNOWLEDGMENT AND CONFIDENTIALITY AGREEMENT
- H JURY SERVICE ORDINANCE (CONTRACTOR EMPLOYEE JURY SERVICE)
- I SAFELY SURRENDERED BABY LAW
- J DEFAULTED PROPERTY TAX REDUCTION PROGRAM
- K INFORMATION SECURITY AND PRIVACY REQUIREMENTS

THIS DOCUMENT IS A REQUIRED COUNTY CONTRACT WHICH INCLUDES MANY OF THE COUNTY'S REQUIREMENTS FOR CONTRACTING AS OF THE ISSUANCE OF THE REQUEST FOR PROPOSALS (RFP). THE COUNTY MAKES NO REPRESENTATION OR WARRANTY THAT ALL OF THE PROVISIONS IN THIS REQUIRED COUNTY CONTRACT WILL BE INCLUDED IN ANY RESULTANT CONTRACT, THAT SUCH PROVISIONS WILL NOT BE MODIFIED IN ANY RESULTANT CONTRACT, OR THAT OTHER PROVISIONS WILL NOT BE INCLUDED IN ANY RESULTANT CONTRACT.

SAMPLE CONTRACT

**CONTRACT BETWEEN
COUNTY OF LOS ANGELES DEFERRED COMPENSATION AND
THRIFT PLAN ADMINISTRATIVE COMMITTEE
AND

FOR STABLE FUND CONSULTING SERVICES**

This Contract and Exhibits made and entered into this ___ day of _____, 2022 by and between the County of Los Angeles Deferred Compensation and Thrift Plan Administrative Committee, hereinafter referred to as PAC and _____, hereinafter referred to as Contractor, a _____, with its principal place of business located at _____.

RECITALS

WHEREAS, the County of Los Angeles (County) has established the County Deferred Compensation and Thrift Plan (“Plan”) pursuant to Section 457 of the Internal Revenue Code of the United States (“Code”), under which the County and the PAC governed by the County’s Board of Supervisors are authorized to provide deferred compensation to their eligible employees;

WHEREAS, under Section 5.25.090 of the County Code, the PAC has authority to contract with one or more private firms for services related to the Plans, consistent with Article IX Civil Service Section 44.7 of the County Charter, and Chapter 7, Conflict of Interest, of Title 9 of the California Government Code (Section 87100, et. seq.) and, in accordance with Government Code Sections 23005 and 31000, may enter into contracts for specialized services;

WHEREAS, the PAC has determined that it is in the best interests of the Plan, its members, and participants to contract with Contractor to act as stable fund consultant and the Contractor desires to provide such services to the Plan;

WHEREAS, Contractor is a _____ [state] [entity type] duly constituted in accordance with all applicable laws to render stable fund consulting services, and is authorized to conduct the business of a stable fund consulting services in the State of California; and

WHEREAS, the PAC and Contractor desire to establish a stable fund consulting relationship for the Stable Income Fund assets beneficially owned by the Plan.

NOW THEREFORE, in consideration of the above stated-recitals, the mutual covenants, representations and undertakings contained herein, and for good and valuable consideration, the Plan and Contractor agree to the following:

1.0 APPLICABLE DOCUMENTS

Exhibits A, A1, B, C, D, E, F, G, H, I, J and K are attached to and form a part of this Contract. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, service, or other work, or otherwise between the base Contract and the Exhibits, or between Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the terms and conditions of this Contract and then to the Exhibits according to the following priority.

STANDARD EXHIBITS:

- EXHIBIT A - Statement of Work
- EXHIBIT A1 - Statement of Work Attachments
- EXHIBIT B - Pricing Schedule
- EXHIBIT C - Statement of Work and Contract Exhibits
- EXHIBIT D - Contractor's EEO Certification
- EXHIBIT E - PAC's Administration
- EXHIBIT F - Contractor's Administration
- EXHIBIT G - Form(s) Required at the Time of Contract Execution
(COVID-19 Vaccination Certification of Compliance and Confidentiality Forms)
- EXHIBIT H - Jury Service Ordinance (Contractor Employee Jury Service)
- EXHIBIT I - Safely Surrendered Baby Law
- EXHIBIT J - Defaulted Property Tax Reduction Program
- EXHIBIT K - Information Security and Privacy Requirements

This Contract and the Exhibits hereto constitute the complete and exclusive statement of understanding between the parties, and supersedes all previous contracts, written and oral, and all communications between the parties relating to the subject matter of this Contract. No change to this Contract shall be valid unless prepared pursuant to Subparagraph 8.1, Change Notices and Amendments, of this Contract, and signed by both parties.

2.0 DEFINITIONS

The headings herein contained are for convenience and reference only and are not intended to define the scope of any provision thereof. The following words as used herein shall be construed to have the following meaning, unless otherwise apparent from the context in which they are used.

- 2.1 Account:** The custody account established and maintained by the Plan Custodian for the safekeeping of Plan's Property and collectively comprises individual sub-accounts (Sub-Account) to hold such Property created for Plan and for each of Plan's Investment Managers.

- 2.2 Affiliate:** An entity that has the same parent corporation as the Contractor.
- 2.3 Agent(s):** Any person(s) or entity(ies) acting on behalf of Contractor pursuant to this Contract.
- 2.4 Authorized Person:** Any employee or agent of PAC who is authorized by PAC to issue Authorized Instructions. This also includes any investment manager which PAC may designate to manage Property held by Plans' Custodian.
- 2.5 Board of Supervisors:** The governing body of the County of Los Angeles.
- 2.6 Business Days:** Monday through Friday, excluding County observed holidays, unless otherwise stated.
- 2.7 Calendar Days:** Monday through Sunday, including County observed holidays, unless otherwise stated.
- 2.8 Claims:** Any and all declarations, damages, losses, liabilities, suits, costs, charges, expenses (including but not limited to reasonable attorneys' fees and costs), judgments, fines and penalties, of any nature whatsoever, which may be asserted or brought against either or both parties hereto in connection with the performance of this Contract.
- 2.9 Contract:** This agreement executed between the PAC and the Contractor. Included are all supplemental agreements amending or extending the service to be performed. It sets forth the terms and conditions for the issuance and performance of all tasks, deliverables, services, and other work including the Statement of Work, Exhibit A.
- 2.10 Contract Term:** The period of the Contract, commencing upon the Effective Date, unless sooner terminated or extended, in whole or in part, as provided in this Contract.
- 2.11 Contractor:** The sole proprietor or business that has entered into a Contract with the PAC to perform or execute the work covered by this Contract.
- 2.12 Contractor's Contract Administrator:** The individual authorized by the Contractor as principal officer to oversee contractual or administrative matters relating to this Contract that cannot be resolved by the Contractor's Contract Manager.
- 2.13 Contractor's Contract Manager:** The individual authorized by the Contractor to administer the Contract operations under this Contract.

- 2.14 Contractor's Employees:** Any person designated by the Contractor to perform services under this Contract.
- 2.15 County:** The County of Los Angeles.
- 2.16 County Information:** All Data and Information belonging to the County.
- 2.17 County Observed Holidays:** Days on which County departments are closed for business in observance of significant events. Contractor is not required to provide services on County observed holidays unless otherwise stated in the SOW or Contract. A list of County observed holidays may be found on the County's website <https://lacounty.gov/government/about-la-county/county-holidays/>.
- 2.18 Custodian:** The entity that maintains the custody of the Plan's assets, providing custodial arrangements, stock transfer and registration, and other related services.
- 2.19 Data:** A subset of Information comprised of qualitative or quantitative values.
- 2.20 Day(s):** Calendar day(s) unless otherwise specified.
- 2.21 Effective Date:** The date of commencement of this Contract, as reflected in Subparagraph 4.1.
- 2.22 Effective Termination Date:** Means date PAC terminates this Contract in its entirety. The Effective Termination Date shall be the date on which the stable fund consulting services hereunder will formally cease, as specified in the Notice of Termination, subject, however, to transition services being provided during a Transition Period.
- 2.23 Excess Costs:** Any reasonable costs which plan incurs for the provision of stable fund consulting services from another stable fund consulting Contractor or similar service provider other than the Contractor if and when TTC/PAC terminates this Contract for default.
- 2.24 Fiscal Year:** The 12-month period beginning July 1st and ending the following June 30th.
- 2.25 Information:** Any communication or representation of knowledge or understanding such as facts, Data, or opinions in any medium or form, including electronic, textual, numerical, graphic, cartographic, narrative or audiovisual.
- 2.26 Investment Manager:** Any entity providing investment asset management advisory services to the Plan unless otherwise specified herein.

- 2.27 Plan Administrative Committee (PAC):** The County's Deferred Compensation and Thrift Plan Administrative Committee.
- 2.28 PAC's Contract Administrator:** The individual authorized by the PAC to oversee contractual or administrative matters relating to this Contract that cannot be resolved by the PAC's Contract Manager.
- 2.29 PAC's Contract Manager:** The individual authorized by the PAC's Contract Administrator to manage the operations under this Contract.
- 2.30 Plan:** The 457(b) Deferred Compensation and Thrift Plan, which is also referred to as the Horizons Plan.
- 2.31 Plan Year:** The 12-month period beginning January 1st and ending December 31st.
- 2.32 Property:** Collectively includes but is not limited to cash in any currency, any securities, and any other property; provided, however, that the term "Property" as used herein shall not include any direct interest in real property, title holding companies, leaseholds or mineral interests.
- 2.33 Standard of Care:** The standard governing the Contractor's performance as a fiduciary of the Plan under this Contract, which standard requires Contractor to discharge each of its duties and exercise each of its powers under this Contract (i) for the exclusive benefit, and solely in the interest, of Plan participants and beneficiaries, (ii) with the competence, care, skill, prudence and diligence under the circumstances then prevailing in stable fund consulting services and which a prudent person acting in a like capacity and familiar with stable fund consulting services would use in the conduct of a like enterprise with like aims, and (iii) in accordance with the ordinances, documents and instruments governing the Plan and corresponding trust.
- 2.34 Statement of Work (SOW):** A written description of tasks, deliverables, and/or other work required by the PAC pursuant to this Contract, attached as Exhibit A.
- 2.35 Subcontractor:** An entity retained by the Contractor to furnish services described in the Statement of Work to the Contractor in furtherance of the Contractor's performance of this Contract under oral or written agreement.
- 2.36 Termination Invoice:** The final invoice itemizing the Contractor's prorated fees and reasonable expenses incurred during the relevant billing period, which the Contractor shall submit to PAC no later than three months following the Effective Termination Date or, as applicable, no later than three months following the Transition Period.

- 2.37 Third Party Administrator (TPA):** The entity designated by the County to provide administration and recordkeeping services for the Plan.
- 2.38 Transition Period:** A period of up to 12 months following the Effective Termination Date where the Contractor continues to perform those services required hereunder at the existing compensation level for such services, in order to complete any transactions pending on the Effective Termination Date and to facilitate an orderly transition to a successor Contractor.
- 2.39 Treasurer and Tax Collector:** The director of the County of Los Angeles Department of Treasurer and Tax Collector.
- 2.40 Trustee:** An entity that performs trust functions with Plan assets held in trust in accordance with Internal Revenue Code Section 457(a) and as directed by the Plan Administrative Committee.
- 2.41 TTC:** The County of Los Angeles Department of Treasurer and Tax Collector.

3.0 SERVICES

3.1 APPOINTMENT OF CONTRACTOR

- 3.1.1** PAC hereby appoints the Contractor as stable fund consulting services provider for the Plan. The Contractor and its Agents agree to serve as stable fund consulting services provider for the Plan.
- 3.1.2** With respect to stable fund consulting services, the Contractor has no discretionary authority with respect to investment management of the Account, nor reporting nor disclosure responsibilities to benefit plan participants or governmental regulatory agencies. The Contractor shall be under no duty to question any direction of an Authorized Person with respect to the portion of the Account over which such Authorized Person has authority, to review any property held in the Account, to make any suggestions with respect to the investment and reinvestment of the assets in the Account, or to evaluate or question the performance of any Authorized Person. The Contractor shall not be responsible or liable for any diminution of value of any securities or other property held by the Custodian or Custodian's agents.

3.2 SERVICES

- 3.2.1** Pursuant to the provisions of this Contract, the Contractor shall fully perform, complete, and deliver on time, all tasks,

deliverables, services, and other work in the manner and form described in this Contract and as set forth in Exhibit A, SOW.

- 3.2.2** The Contractor agrees that the performance of work and services pursuant to the requirements of this Contract shall conform to the Standard of Care and the highest professional standards as exist in the Contractor's profession or field of practice.
- 3.2.3** If the Contractor performs any tasks, or provides any deliverables, goods, services, or other work other than as specified in this Contract, the same shall be deemed to be a gratuitous effort on the part of the Contractor, and the Contractor shall have no claim whatsoever against the County.

4.0 TERM OF CONTRACT

- 4.1** The Contract Term shall be for a period of three years commencing upon approval by the PAC or _____(Effective Date). Thereafter, unless Contractor is notified by the PAC prior to any extension, the Contract shall automatically renew for up to two additional one-year extension options, and month-to-month extensions thereafter as needed until a new contract is signed, unless the Contract is sooner terminated by the PAC pursuant to the provisions of Subparagraphs 8.41 to 8.46, or Subparagraph 8.52, of this Contract. Each such extension option may be exercised at the sole discretion of the PAC.
- 4.2** The County maintains a database that tracks/monitors Contractor performance history. Information entered into the database may be used for a variety of purposes, including determining whether the PAC will exercise a Contract Term extension option.
- 4.3** The Contractor shall notify the PAC's Contract Administrator when this Contract is within six months from the expiration of the Contract Term and any extension thereto as provided for hereinabove. Upon occurrence of this event, the Contractor shall send a written notification to the PAC's Contract Administrator at the address herein provided in Exhibit E, PAC's Administration.

5.0 CONTRACT SUM

5.1 COMPENSATION

Contractor shall be compensated for services provided pursuant to Exhibit A, Statement of Work in accordance with the fee or rates set forth in Exhibit B, Pricing Schedule. Compensation for these services as set forth in the Exhibit B, Pricing Schedule, shall remain firm, fixed, and in full

force and effect during the Contract Term. The Contractor's rates will be pro-rated for any partial periods.

5.2 WRITTEN APPROVAL FOR REIMBURSEMENT

The Contractor shall not be entitled to payment or reimbursement for any tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein. Assumption or takeover of any of the Contractor's duties, responsibilities, or obligations, or performance of same by any person or entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever, shall not occur except with the County's express prior written approval.

5.3 NOTIFICATION OF 75% OF TOTAL CONTRACT SUM

The Contractor shall maintain a system of record keeping that will allow the Contractor to determine when it has incurred 75% of the total contract sum under this Contract. Upon occurrence of this event, the Contractor shall send written notification to PAC's Contract Administrator at the address herein provided in Exhibit E, PAC's Administration.

5.4 NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF CONTRACT

The Contractor shall have no claim against PAC or County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by the Contractor after the expiration or other termination of this Contract. Should the Contractor receive any such payment it shall immediately notify PAC and shall immediately repay all such funds to Plan. Payment by Plan for services rendered after expiration/termination of this Contract shall not constitute a waiver of PAC's right to recover such payment from the Contractor. This provision shall survive the expiration or other termination of this Contract.

5.5 INVOICES, PAYMENTS AND RELATED ISSUES

5.5.1 The Contractor shall invoice the PAC only for providing the tasks, deliverables, services, and other work specified in Exhibit A, SOW, and elsewhere hereunder. The Contractor shall invoice the PAC for such services quarterly [*annually for Pension Savings Plan contract*] in arrears. The Contractor shall prepare invoices, which shall include the charges owed to the Contractor by the PAC under the terms of this Contract. The Contractor's payments shall be as provided in Exhibit B, Pricing Schedule and the Contractor shall be paid only for the tasks, deliverables, goods, services, and other work approved in writing by the County. If the PAC does not

approve work in writing no payment shall be due to the Contractor for that work.

5.5.2 The Contractor's invoices shall be priced in accordance with Exhibit B, Pricing Schedule. Failure to comply with prices as established in Exhibit B, Pricing Schedule, may result in assessed liquidated damages. The assessment of liquidated damages does not relieve the Contractor from the responsibility of correcting invoices.

5.5.3 The Contractor's invoices shall be legible and contain the information set forth in Exhibit A, SOW, describing the tasks, deliverables, goods, services, and/or other work for which payment is claimed. Each quarterly invoice shall include the following information:

- Contractor's name and address
- Invoice date, unique invoice number, and the quarter and year when the service(s) was delivered (billing period)
- Amount due
- Payee name, if different from Contractor's name
- Contractor's Tax Identification Number and remittance address and/or electronic payment instructions

5.5.4 The Contractor shall submit the quarterly [*annual for Pension Savings Plan*] invoices to the County.

5.5.5 All invoices and supporting documentation shall be submitted via email to dcplans@ttc.lacounty.gov.

5.5.6 The PAC's Contract Manager or designee may request Contractor to provide a revised invoice based on an identified discrepancy.

5.5.7 COUNTY APPROVAL OF INVOICES

All invoices submitted by the Contractor for payment must have the written approval of the PAC's Contract Manager prior to any payment thereof. In no event shall the PAC be liable or responsible for any payment prior to such written approval. PAC will authorize payment within 30 days following receipt of any undisputed invoice.

5.5.8 DISPUTED FEES

PAC shall review each invoice and report any discrepancies or disputed fees to the Contractor in writing or email. Within 30 calendar days after the Contractor receives PAC notification of any discrepancies or disputed fees, the Contractor shall provide PAC a written justification detailing the basis for such fees. If PAC does not receive a written response from the Contractor within the 30-calendar day period, the discrepancies noted and charges approved by PAC shall be deemed accepted and agreed to by the Contractor. PAC shall authorize payment of disputed fees promptly upon resolution of such dispute to the reasonable satisfaction of PAC and the Contractor.

5.5.9 OVERPAYMENTS OF INVOICES

Contractor shall notify the PAC's Contract Manager immediately of any overpayment received. PAC's Contract Manager or designee shall also notify the Contractor of any overpayment made to the Contractor. Contractor shall arrange for a credit on the next invoice or return any overpayment within 30 days of discovery or notification, as determined by the PAC's Contractor Manager. This provision shall survive the expiration or other termination of this Contract.

5.5.10 INTENTIONALLY OMITTED

5.6 ERRORS AND OMISSIONS

All services performed shall be thorough and complete. The Contractor understands that PAC examination of the Contractor's work product is discretionary, and the Contractor shall not assume the PAC will discover errors and/or omissions. In any event, should any errors or omissions be discovered in any services, the Contractor will make every effort to provide prompt resolution to the satisfaction of PAC. Should the PAC determine that the extent and impact of the Contractor's errors and/or omissions to be substantive, costing the Plan significantly in financial and/or staff resources, the PAC may, in its sole discretion, reduce the Contractor's payment to the actual cost of damages incurred by the Plan as determined by the PAC.

5.7 UNANTICIPATED SERVICES

In the event Contractor is required or requested to perform services which were not anticipated under this Contract, the PAC and Contractor shall negotiate an Amendment to this Contract pursuant to the requirements of Subparagraph 8.1.2 below.

5.8 TRANSITION PERIOD FEE

PAC and the Contractor shall agree on a Transition Period fee payment upon expiration or termination of Contract. Other than the Transition Period fee payment, the Contractor shall have no claim against PAC for payment of any money or reimbursement, of any kind whatsoever, for any service provided by the Contractor after the expiration or other termination of this Contract. Should the Contractor receive any such payment it shall immediately notify TTC and shall immediately repay all such funds to Plan. Payment by PAC for services rendered after expiration/termination of this Contract shall not constitute a waiver of PAC right to recover such payment from the Contractor. This provision shall survive the expiration or other termination of this Contract.

5.9 DEFAULT METHOD OF PAYMENT: DIRECT DEPOSIT OR ELECTRONIC FUNDS TRANSFER

- 5.9.1** The County, at its sole discretion, has determined that the most efficient and secure default form of payment for goods and/or services provided under a contract with the County shall be Electronic Funds Transfer (EFT) or direct deposit, unless an alternative method of payment is deemed appropriate by the PAC/TTC.
- 5.9.2** The Contractor shall submit an EFT request form with banking and vendor information, W-9, and any other information that the PAC/TTC determines is reasonably necessary to process the payment and comply with all accounting, record keeping, and tax reporting requirements.
- 5.9.3** Any provision of law, grant, or funding agreement requiring a specific form or method of payment other than EFT or direct deposit shall supersede this requirement with respect to those payments.
- 5.9.4** At any time during the duration of the Contract, a Contractor may submit a written request for an exemption to this requirement. Such request must be based on specific legal, business or operational needs and explain why the payment method designated by the Auditor-Controller (A-C) is not feasible and an alternative is necessary. The PAC/TTC shall decide whether to approve exemption requests.

6.0 ADMINISTRATION OF CONTRACT – PAC

6.1 PAC’S ADMINISTRATION

A listing of all PAC’s Administration referenced in the following Subparagraphs is designated in Exhibit E, PAC’s Administration. The PAC will notify the Contractor in writing of any change in the names or addresses shown.

The TTC will assign a PAC’s Contract Administrator and a PAC’s Contract Manager to provide, among other things, overall management and coordination of the Contract and act as liaisons for the PAC.

The TTC will notify the Contractor in writing of the names, addresses, and telephone numbers of the individuals designated to act as the PAC’s Contract Administrator and PAC’s Contract Manager.

6.2 PAC’S CONTRACT ADMINISTRATOR

6.2.1 The PAC’s Contract Administrator is responsible for ensuring that the Contractor meets the objectives of this Contract and determines the Contractor’s compliance with the Contract. This includes inspecting all tasks, deliverable, goods, services, or other work provided by or on behalf of the Contractor.

6.2.2 The PAC’s Contract Administrator is responsible for providing, among other things, overall direction to the Contractor in the areas relating to Plan policy, County policy, TTC policy, information requirements, and procedural requirements.

6.2.3 The PAC’s Contract Administrator is not authorized to make any changes in any of the terms and conditions of this Contract, except as permitted in accordance with Subparagraph 8.1, Change Notices and Amendments, and is not authorized to further obligate the PAC in any respect whatsoever.

6.3 PAC’S CONTRACT MANAGER

6.3.1 The PAC’s Contract Manager is responsible for managing all operational matters under the Contract; requesting meetings as needed with the Contractor’s Contract Manager; and inspecting any and all tasks, deliverables, goods, services, or other work provided by or on behalf of the Contractor.

6.3.2 The PAC’s Contract Manager is not authorized to make changes to the terms and conditions of the Contract and is not authorized to further obligate the PAC in any respect whatsoever.

6.4 COUNTY'S DEPARTMENTAL CHIEF INFORMATION OFFICER (DCIO)

The DCIO is responsible for managing the planning, design, coordination, development, implementation, and maintenance of the Department's information systems.

6.5 COUNTY'S DEPARTMENTAL INFORMATION SECURITY OFFICER (DISO)

The DISO develops and implements departmental Information Technology (IT) security application, policies, standards, and procedures intended to prevent the unauthorized use, release, modification, loss, or destruction of Data and to ensure the integrity and security of the Department's IT infrastructure.

6.6 AUTHORIZED PERSONS

6.6.1 Upon execution of this Contract, PAC shall provide the Contractor a list of all Authorized Persons who will be permitted to issue Authorized Instructions to the Contractor on Plan's behalf, together with signature specimens of certain Authorized Persons who may execute specific tasks pursuant to the terms of the Contract. The list of Authorized Persons and any changes to such list shall be made in writing to the Contractor and signed by County's Treasurer and Tax Collector or his/her authorized designee.

6.6.2 Custodian shall provide the Contractor with the names and signature specimens of Authorized Persons who may represent Custodian in its dealings with the Contractor. The PAC, in its sole discretion, may appoint or remove Custodian at any time and shall advise the Contractor accordingly in writing.

6.6.3 The Contractor shall interact with any Authorized Person identified by the PAC or by Plan's Custodian until the PAC notifies the Contractor in writing to the contrary. The Contractor agrees not to furnish any Information, written or oral, to any person not specifically named on the then current list of Authorized Persons; provided, however, that the Contractor may furnish such Information to:

- (i) the personnel of Authorized Persons who customarily have responsibility for communicating or otherwise transferring such Information to Authorized Persons in the ordinary course of business, and

- (ii) government officials when such Information must be provided to comply with the requirements of the applicable governing authority's laws, regulations or ordinances.

6.7 AUTHORIZED INSTRUCTIONS

The Contractor may, in its discretion, accept verbal Authorized Instructions subject to written confirmation of same from such Authorized Person. All Authorized Instructions, whether written or verbal, shall be confirmed by the Contractor in writing within 48 hours and shall bind the Contractor upon receipt. Where the Contractor acts on a verbal direction prior to receipt of a written confirmation, the Contractor shall not be liable if a subsequent written confirmation fails to conform to the verbal direction.

Plan shall fully protect the Contractor against all loss, liability, claims and demands which result from the Contractor acting in accordance with Authorized Instructions, or for failing to act in the absence of Authorized Instructions, or from misrepresentations made by any Authorized Person; provided, however, the Contractor shall not receive such protection where any Authorized Instructions result in violations of the Contractor's internal policies or applicable law. If the Contractor receives instructions from a source other than an Authorized Person, the Contractor shall not comply with such instructions and shall immediately notify the TTC in writing of such unauthorized instructions.

6.8 PAC REPRESENTATIONS, WARRANTIES AND COVENANTS

PAC represents, warrants, and covenants that this Contract has been duly authorized, executed and delivered by PAC and constitutes the legal, valid and binding agreement and obligation of Plan, enforceable against it in accordance with its terms except insofar as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar limitations on creditors' rights generally and general principles of equity. Plan is not subject to or obligated under any law, rule or regulation of any governmental authority, or any order, injunction or decree, or any agreement that would be breached or violated by the execution, delivery or performance of this Contract by Plan.

7.0 ADMINISTRATION OF CONTRACT – CONTRACTOR

A listing of all Contractor's Administration referenced in the following Subparagraphs is designated in Exhibit F, Contractor's Administration. The Contractor will notify the PAC in writing of any change in the names or addresses shown.

7.1 CONTRACTOR'S CONTRACT ADMINISTRATOR

- 7.1.1** The Contractor's Contract Administrator shall be a full-time employee of the Contractor. The Contractor's Contract Administrator shall be a principal officer in the Contractor's office to service this Contract and to act as a liaison for the Contractor in coordinating the performance of services under the Contract. The Contractor shall provide the TTC, in writing, with the name, address, and telephone number of the individual designated to act as the Contractor's Contract Administrator at the time the Contract is implemented and as changes occur during the Contract Term. Such notification shall be made by the Contractor no later than five business days after a change occurs and will include a current resume for the new Contractor's Contract Administrator.
- 7.1.2** The Contractor's Contract Administrator shall be responsible for the Contractor's performance of all tasks, deliverables, goods, services or other work provided by or on behalf of the Contractor and ensuring the Contractor's compliance with the Contract.
- 7.1.3** The Contractor's Contract Administrator shall be available to meet and confer with the PAC's Contract Administrator on an as needed basis either in person or by telephone as mutually agreed by the parties, to review Contract performance and discuss Contract coordination. Such meetings shall be conducted at a time and place as mutually agreed by the parties.

7.2 CONTRACTOR'S CONTRACT MANAGER

- 7.2.1** The Contractor's Contract Manager shall be a full-time employee of the Contractor. The Contractor shall inform the PAC's Contract Administrator in writing of the name, address, and telephone number of the individual designated to act as the Contractor's Contract Manager or any alternate identified in Exhibit F, Contractor's Administration, at the time this Contract is implemented and as changes occur during the Contract Term. Such notification shall be made by the Contractor no later than five business days after a change occurs and will include a current resume for the new Contractor's Contract Manager.
- 7.2.2** The Contractor's Contract Manager shall have full authority to act on behalf of the Contractor on all matters related to the Contractor's day-to-day activities as related to the Contract and shall coordinate with PAC's Contract Manager on a regular basis.

7.2.3 The Contractor's Contract Manager shall be available during work hours, 8:00 a.m. to 5:00 p.m. Pacific Time (PT), Monday through Friday, for telephone and email contact and to meet as needed with the PAC's Contract Manager to discuss the Contract.

7.2.4 The Contractor's Contract Manager/ shall have at least five years' experience in providing stable value fund consulting services for a large, defined contribution plan with assets in excess of \$1 billion. The PAC will have the right to approve the assignment or replacement for any Contractor's Contract Manager recommended by the Contractor.

7.3 APPROVAL OF CONTRACTOR'S EMPLOYEES

PAC/TTC has the absolute right to approve or disapprove all of the Contractor's employees performing work hereunder and any proposed changes in the Contractor's employees, including, but not limited to, the Contractor's Contract Manager.

7.4 CONTRACTOR'S EMPLOYEES

7.4.1 The Contractor is responsible for providing training and supervising employees assigned to perform services under the Contract. All employees assigned by the Contractor to perform these services shall at all times be employees of the Contractor; and, the Contractor shall have the sole right to hire, suspend, discipline, or discharge them. However, any employee, who in the opinion of the PAC is performing unsatisfactory work, shall be removed from the performance of services related to the Contract immediately upon the written request of the PAC's Contract Manager.

7.4.2 The Contractor shall ensure a high standard of conduct of the Contractor's employees, including compliance at all times with all applicable local, state and federal laws and regulations related to stable fund consulting services, and the specific requirements of the Contract.

7.5 CONTRACTOR'S STAFF IDENTIFICATION

The Contractor shall provide, at the Contractor's expense, all staff providing services under the Contract with a photo identification badge. The Contractor staff, while on duty or when entering a County facility or its grounds, shall prominently display the photo identification badge on the upper part of the body.

7.6 BACKGROUND AND SECURITY INVESTIGATIONS

7.6.1 Each of the Contractor's staff performing services under this Contract, who is in a designated sensitive position, as determined by PAC in PAC's sole discretion, shall undergo and pass a background investigation to the satisfaction of PAC as a condition of beginning and continuing to perform services under this Contract. Typically, the positions required to undergo and pass a background investigation include, but are not limited to, Contractor's Contract Administrator, Contractor's Contract Manager, and staff indicated in Exhibit F, Contractor's Administration.

Such background investigation must be obtained through fingerprints submitted to the California Department of Justice (DOJ) to include State, local, and federal-level review, which may include, but shall not be limited to, criminal conviction information. Examples of disqualifying factors include, but are not limited to, bribery, robbery, theft, fraud, embezzlement, forgery, extortion, perjury, convictions involving a controlled substance, convictions involving stolen property, any felony conviction, a misdemeanor conviction involving moral turpitude, or any job-related misdemeanor conviction. The fees associated with the background investigation shall be at the expense of the Contractor, regardless of whether the member of the Contractor's staff passes or fails the background investigation.

7.6.2 The Contractor shall provide to the TTC the legal name of each person in a designated sensitive position and the dates on which said persons submitted fingerprints to the California DOJ. The Contractor shall provide such information in writing within five calendar days of the date on which the fingerprinting occurred.

7.6.3 During the Contract Term, if the TTC receives a subsequent qualifying factor for a member of the Contractor's staff, the TTC shall request that the member of the Contractor's staff be immediately removed from performing services under the Contract. Contractor shall immediately comply with the TTC's request.

7.6.4 The County will request the Contractor to advise the Contractor's staff member who did not pass the background investigation or who received a subsequent disqualifying factor to contact the TTC immediately to receive a copy of the Criminal Offender Record Information (CORI) obtained from the Department of Justice through the TTC's background investigation.

- 7.6.5** The Contractor shall assure that any employee whose background report contains a conviction for a crime and where employment of such person in the position held or to which such employee would be assigned would be prohibited under 12 U.S.C. Section 1820, ERISA or the SEC, as applicable to the employee as a result of such conviction, such employee shall not be associated with the work performed under this Contract.
- 7.6.6** The PAC, in its sole discretion, may immediately deny or terminate facility access to any member of the Contractor's staff that does not pass such investigation to the satisfaction of the PAC or whose background or conduct is incompatible with County facility access.
- 7.6.7** Disqualification of any member of the Contractor's staff pursuant to this Subparagraph shall not relieve the Contractor of its obligation to complete all work in accordance with the terms and conditions of this contract.

7.7 CONFIDENTIALITY

- 7.7.1** The Contractor shall maintain the confidentiality of all records and information in accordance with all applicable federal, State or local laws, ordinances, regulations, directives, guidelines, policies, and procedures relating to confidentiality, including, without limitation, County policies concerning information technology security and the protection of confidential records and Information.
- 7.7.2** The Contractor's employees may use Data received from the PAC/County only to perform functions as defined by this Contract.
- 7.7.3** Disclosures which are required by law, such as a court order, or which are made with the explicit written authorization of the County are allowable. Any other use or disclosure of Data received requires the express approval in writing from the County. The Contractor shall not duplicate, disseminate or disclose any Data except as allowed in this agreement.
- 7.7.4** Access to Data received from the PAC/County shall be restricted only to Contractor's employees who need the Data to perform their official duties in the performance of this Contract.
- 7.7.5** The Contractor's employees who access, disclose or use the Data for a purpose not authorized by this Contract may be subject to civil and criminal sanctions contained in applicable federal and state statutes.

7.7.6 The Contractor shall indemnify, defend, and hold harmless PAC, County, its Special Districts, elected and appointed officers, employees, agents, and volunteers from and against any and all claims, demands, damages, liabilities, judgments, awards, losses, costs, expenses or fees, including, without limitation, defense costs and legal, accounting and other expert, consulting, or professional fees, arising from, connected with, or related to:

- Contractor's violation of any federal and state laws in connection with its accessing, collecting, processing, storing, disclosing, or otherwise using County Information,
- any failure by the Contractor, its officers, employees, Agents, or Subcontractors, to comply with this Subparagraph 7.7, as determined by PAC/County in its sole judgment, and/or
- any Information loss, breach of Confidentiality, or Incident involving any PAC/County Information that occurs on the Contractor's or Subcontractor's systems or networks (including all costs and expenses incurred by the County, if applicable, to remedy the effects of such loss, breach of Confidentiality, or Incident, which at a minimum may include but is not limited to (i) providing appropriate notice to individuals and governmental authorities, (ii) responding to individuals' and governmental authorities' inquiries, (iii) providing credit monitoring to individuals, and (iv) conducting litigation and settlements with individuals and governmental authorities).

Any legal defense pursuant to the Contractor's indemnification obligations under this Subparagraph shall be conducted by the Contractor and performed by counsel selected by the Contractor and approved by PAC/County.

7.7.7 Notwithstanding the preceding Subparagraph 7.7.6, PAC/County shall have the right to participate in any such defense at its sole cost and expense, except that in the event the Contractor fails to provide PAC/County with a full and adequate defense, as determined by PAC/County in its sole judgment, PAC/County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from the Contractor for all such costs and expenses incurred by PAC/County in doing so. The Contractor shall not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of PAC/County without PAC/County's prior written approval.

- 7.7.8** The Contractor shall inform all of its officers, employees, Agents and Subcontractors providing services hereunder of the confidentiality provisions of this Contract.
- 7.7.9** The Contractor shall sign and adhere to the provisions of Exhibit G1, Contractor Acknowledgment and Confidentiality Agreement.
- 7.7.10** During the Term of the Contract, the Contractor shall maintain an updated file of the signed forms and shall forward copies of all signed forms to the PAC Contract Administrator whenever changes in personnel occur.

7.8 FIDUCIARY STATUS

Contractor agrees that it is a fiduciary with respect to the Plan. The parties acknowledge that the Plan is not subject to the Employee Retirement Income Security Act of 1974, as amended, (“ERISA”), but acknowledge that the Plan is subject to similar fiduciary principles and laws under California law. Further, the PAC has requested and Contractor agrees that Contractor shall discharge its duties and perform services under this Contract in accordance with the Standard of Care, as if the Plan were governed by ERISA, the regulations, interpretive rulings and judicial opinions issued thereunder (“ERISA Guidelines”), and as if the Contractor were a fiduciary within the meaning of ERISA 3(21).

7.9 CONTRACTOR’S REPRESENTATIONS, WARRANTIES AND COVENANTS

- 7.9.1** Contractor hereby represents that it is and shall continue to be for the term of this Contract, a registered investment advisor under the Investment Advisers Act of 1940 (“Advisers Act”), and that it has completed, obtained and performed all registrations, filings, approvals, authorizations, consents or examinations required by any governmental authority for its services contemplated by this Contract. Contractor shall immediately notify PAC if at any time during the term of this Contract it is not so registered or if its registration is suspended.
- 7.9.2** This Contract has been duly authorized, executed and delivered by the Contractor and constitutes the legal, valid and binding agreements and obligations of the Contractor, enforceable against the Contractor in accordance with its terms, except insofar as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar limitations on creditors' rights generally and general principles of equity. The Contractor is not subject to or obligated under any law, rule or

regulation of any governmental authority, or any order, injunction or decree, or any contract, that would be breached or violated by the execution, delivery or performance of this Contract by the Contractor. All services which the Contractor provides hereunder shall meet the requirements and standards set forth in this Contract. The Contractor shall promptly correct any errors or omissions within 30 days after request by PAC.

- 7.9.3** To avoid termination for reasons that relate to the violation of the investment adviser of the Securities and Exchange Commission Rules 204-2 and 206(4)-3 and 206(4)-5 under the Investment Advisers Act of 1940, commonly referred to as the "pay-to-play rules" and referred to in this RFP as "SEC Rules," Proposer certifies that it has developed a policy to address the SEC Rules and established internal procedures to monitor compliance with the SEC Rules and the Proposer's policy and agrees to certain reporting and enforcement provisions related thereto. Proposer must provide the firm's most current Code of Ethics and Standards of Professional Conduct and form ADV Part II.

8.0 STANDARD TERMS AND CONDITIONS

8.1 CHANGE NOTICES AND AMENDMENTS

- 8.1.1** PAC Change Notices: The TTC reserves the right to initiate Change Notices that **do not affect** the scope of work, Contract Term, Contract Sum or payments. All such changes shall be accomplished with an executed Change Notice signed by the Contractor and by the PAC's Contract Administrator.
- 8.1.2** Mutual Agreement to Changes: For any change which affects the scope of work, Contract Term, Contract Sum, payments, or any Contract Term or condition included under this Contract to the extent such change is mutually agreed upon by the parties, an Amendment shall be prepared and executed by the Contractor and PAC. However, for changes which would decrease the Contract Sum or payments without affecting the scope of work, Contract Term, or any other term or condition included under this Contract, an Amendment shall be prepared and executed by the Contractor and by the PAC's Contract Administrator.
- 8.1.3** County Required Changes: The County's Board or Chief Executive Officer (CEO) or designee may require the addition and/or change of certain terms and conditions in the Contract during the Contract Term. The PAC reserves the right to add and/or change such provisions as required by the Board or CEO.

To implement such changes, an Amendment to the Contract shall be prepared and executed by the Contractor and by PAC's Contract Administrator.

- 8.1.4** The PAC may, at its sole discretion, authorize extensions of time as set forth in Paragraph 4.0, Term of Contract, of this Contract. The Contractor agrees that such extensions of time shall not change any other term or condition of this Contract during the period of such extensions.

8.2 ASSIGNMENT AND DELEGATION / MERGERS OR ACQUISITIONS

- 8.2.1** The Contractor shall notify the PAC/TTC of any pending acquisitions/mergers of its company unless otherwise legally prohibited from doing so. If the Contractor is restricted from legally notifying the PAC/TTC of pending acquisitions/mergers, then it should notify the PAC/TTC of the actual acquisitions/mergers as soon as the law allows and provide to the PAC/TTC the legal framework that restricted it from notifying the PAC/TTC prior to the actual acquisitions/mergers.

- 8.2.2** The Contractor shall not assign, exchange, transfer, or delegate its rights or duties under this Contract, whether in whole or in part, without the prior written consent of the PAC, in its discretion, and any attempted assignment, delegation, or otherwise transfer of its rights or duties, without such consent shall be null and void. For purposes of this Subparagraph, PAC consent shall require a written amendment to the Contract, which is formally approved and executed by the parties. Any payments by the PAC to any approved delegate or assignee on any claim under this Contract shall be deductible, at PAC's sole discretion, against the claims, which the Contractor may have against the PAC.

- 8.2.3** Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any person or entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without the PAC's express prior written approval, shall be a material breach of the Contract which may result in the termination of this Contract. In the event of such termination, the PAC shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

- 8.2.4** Notwithstanding the foregoing, any equity ownership adjustment or other administrative change of Contractor, which does not give

majority control of the Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Contract, and which does not result in a change of actual management of Contractor, shall require the written consent of TTC, or his designee, not a written amendment to this Contract. Any such written consent shall become part of this Contract. Any such equity ownership adjustment or other administrative change of Contractor, which occurs without TTC express prior written approval, shall be a material breach of this Contract which may result in the termination of this Contract. In the event of such termination, PAC shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

8.3 AUTHORIZATION WARRANTY

The contractor represents and warrants that the person executing this Contract for the contractor is an authorized agent who has actual authority to bind the contractor to each and every term, condition, and obligation of this Contract and that all requirements of the contractor have been fulfilled to provide such actual authority.

8.4 BUDGET REDUCTIONS

In the event that the County's Board of Supervisors adopts, in any fiscal year, a County Budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County Contracts, the County reserves the right to reduce its payment obligation under this Contract correspondingly for that fiscal year and any subsequent fiscal year during the Contract Term (including any extensions), and the services to be provided by the Contractor under this Contract shall also be reduced correspondingly. The County's notice to the Contractor regarding said reduction in payment obligation shall be provided within 30 calendar days of the Board's approval of such actions. Except as set forth in the preceding sentence, the Contractor shall continue to provide all of the services set forth in this Contract.

8.5 COMPLAINTS

The Contractor shall develop, maintain and operate procedures for receiving, investigating and responding to complaints.

8.5.1 Within ten business days after Contract Effective Date, the Contractor shall provide the PAC's Contract Administrator with the

Contractor's policy for receiving, investigating and responding to user complaints.

- 8.5.2** The County will review the Contractor's policy and provide the Contractor with approval of said plan or with requested changes.
- 8.5.3** If the County requests changes in the Contractor's policy, the Contractor shall make such changes and resubmit the plan within five business days for County approval.
- 8.5.4** If, at any time, the Contractor wishes to change the Contractor's policy, the Contractor shall submit proposed changes to the County for approval before implementation.
- 8.5.5** The Contractor shall preliminarily investigate all complaints and notify the PAC's Contract Manager of the status of the investigation within five business days of receiving the complaint unless otherwise specified in Exhibit A, SOW.
- 8.5.6** When complaints cannot be resolved informally, a system of follow-through shall be instituted which adheres to formal plans for specific actions and strict time deadlines.
- 8.5.7** Copies of all written responses shall be sent to the PAC's Contract Manager within three business days of mailing to the complainant unless otherwise specified in Exhibit A, SOW.

8.6 COMPLIANCE WITH APPLICABLE LAW

In the performance of this Contract, the Contractor shall comply with all applicable foreign, international, federal, state, County and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures, registrations, filings, approvals, authorizations, consents and examinations, and all provisions required thereby to be included in this Contract are hereby incorporated herein by reference.

- 8.6.1** The Contractor shall indemnify, defend, and hold harmless PAC, County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs, and expenses, including, without limitation, defense costs and legal, accounting, and other expert, consulting or professional fees, arising from, connected with, or related to any failure by the Contractor, its officers, employees, Agents, or Subcontractors, to comply with any such laws, rules, regulations, ordinances, directives, guidelines, policies, or procedures as determined by PAC in its sole judgment. Any legal defense pursuant to the Contractor's indemnification obligations under this Subparagraph shall be conducted by the Contractor and performed by the

Counsel selected by the Contractor and approved by PAC. Notwithstanding the preceding sentence, PAC shall have the right to participate in any such defense at its sole cost and expense, except that in the event the Contractor fails to provide PAC with a full and adequate defense, as determined by PAC in its sole judgment, PAC shall be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from the Contractor for all such costs and expenses incurred by PAC in doing so. The Contractor shall not have the right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of PAC/County without PAC/County's prior written approval.

- 8.6.2** To the extent permitted by applicable Federal, State, and local laws, as soon as practicable after and, in any event, within 15 days of actually learning of any of the following changes, the Contractor shall notify PAC in writing about: (i) the Contractor becoming aware that any of the Contractor's representations, warranties and covenants set forth herein cease to be true at any time during the Contract Term; (ii) any material change in the Contractor's senior personnel assigned to perform services under this Contract; (iii) any change in control of the Contractor; or (iv) the Contractor becoming aware of any other material change in the Contractor's business organization, including without limitation the filing for bankruptcy relief.
- 8.6.3** To the extent permitted by applicable Federal, State, and local laws, the Contractor shall promptly advise PAC in writing of any investigation, examination or other proceeding involving the Contractor which is commenced by any governmental regulatory agency, not conducted in the ordinary course of the Contractor's business, and which in the reasonable judgment of the Contractor could have a material adverse effect upon its ability to provide services as set forth in Exhibit A, SOW.

8.7 COMPLIANCE WITH CIVIL RIGHTS LAWS

The Contractor hereby assures that it will comply with Subchapter VI of the [Civil Rights Act of 1964](#), 42 USC Sections 2000 (e) (1) through 2000 (e) (17), to the end that no person shall, on the grounds of race, creed, color, sex, religion, ancestry, age, condition of physical handicap, marital status, political affiliation, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract. The Contractor shall comply with Exhibit D, Contractor's EEO Certification.

8.8 COMPLIANCE WITH THE COUNTY'S JURY SERVICE PROGRAM

8.8.1 JURY SERVICE PROGRAM

This Contract is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in [Sections 2.203.010 through 2.203.090](#) of the County Code, a copy of which is attached as Exhibit H and incorporated by reference into and made a part of this Contract.

8.8.2 WRITTEN EMPLOYEE JURY SERVICE POLICY

1. Unless the Contractor has demonstrated to the County's satisfaction either that the Contractor is not a "Contractor" as defined under the Jury Service Program ([Section 2.203.020 of the County Code](#)) or that the Contractor qualifies for an exception to the Jury Service Program ([Section 2.203.070 of the County Code](#)), the Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.
2. For purposes of this Subparagraph, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County Contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full-time employee of the Contractor. "Full-time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) the Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If the Contractor uses any Subcontractor to perform services for the County under the Contract, the Subcontractor shall also be subject to the provisions of this Subparagraph. The provisions of this Subparagraph shall be inserted into any such subcontract

agreement and a copy of the Jury Service Program shall be attached to the agreement.

3. If the Contractor is not required to comply with the Jury Service Program when the Contract commences, the Contractor shall have a continuing obligation to review the applicability of its “exception status” from the Jury Service Program, and the Contractor shall immediately notify the County if the Contractor at any time either comes within the Jury Service Program’s definition of “Contractor” or if the Contractor no longer qualifies for an exception to the Jury Service Program. In either event, the Contractor shall immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Contract and at its sole discretion, that the Contractor demonstrate, to the County’s satisfaction that the Contractor either continues to remain outside of the Jury Service Program’s definition of “Contractor” and/or that the Contractor continues to qualify for an exception to the Program.
4. The Contractor’s violation of this Subparagraph, of this Contract, may constitute a material breach of this Contract. In the event of such material breach, PAC may, in its sole discretion, terminate the Contract and/or bar the Contractor from the award of future County/Plan contracts for a period of time consistent with the seriousness of the breach.

8.9 CONFLICT OF INTEREST

- 8.9.1 No PAC or County employee whose position with the PAC or County enables such employee to influence the award of this Contract or any competing Contract, and no spouse or economic dependent of such employee, shall be employed in any capacity by the Contractor or have any other direct or indirect financial interest in this Contract. No officer or employee of the Contractor who may financially benefit from the performance of work hereunder shall in any way participate in the PAC’s approval, or ongoing evaluation of such work, or in any way attempt to unlawfully influence the PAC’s approval or ongoing evaluation of such work.
- 8.9.2 The Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the Contract Term. The Contractor warrants that it is not now aware of any facts that create a conflict of interest. If the Contractor hereafter becomes aware of any facts that might

reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to dcplans@ttc.lacounty.gov. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this Subparagraph shall be a material breach of this Contract.

8.10 CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFF OR ARE ON A COUNTY RE-EMPLOYMENT LIST

Should the Contractor require additional or replacement personnel after the Effective Date of this Contract to perform the services set forth herein, the Contractor shall give first consideration for such employment openings to qualified, permanent County employees who are targeted for layoff or qualified, former County employees who are on a re-employment list during the life of this Contract.

8.11 CONSIDERATION OF HIRING GAIN/GROW PROGRAM PARTICIPANTS

8.11.1 Should the Contractor require additional or replacement personnel after the Effective Date of this Contract, the Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet the Contractor's minimum qualifications for the open position. The County will refer GAIN-GROW participants by job category to the Contractor. Contractors shall report all job openings with job requirements to: GAINGROW@DPSS.LACOUNTY.GOV and BSERVICES@WDACS.LACOUNTY.GOV to obtain a list of qualified GAIN/GROW job candidates.

8.11.2 In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority.

8.12 CONTRACTOR RESPONSIBILITY AND DEBARMENT

8.12.1 RESPONSIBLE CONTRACTOR

A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the County's policy to conduct business only with responsible Contractors.

8.12.2 CHAPTER 2.202 OF THE COUNTY CODE

The Contractor is hereby notified that, in accordance with [Chapter 2.202 of the County Code](#), if the County acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the Contract, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five years but may exceed five years or be permanent if warranted by the circumstances, and terminate any or all existing contracts the Contractor may have with the County.

8.12.3 NON-RESPONSIBLE CONTRACTOR

The County may debar the Contractor if the PAC/Board finds, in its discretion, that the Contractor has done any of the following: (1) violated a term of a contract with the PAC/County or a nonprofit corporation created by the County; (2) committed an act or omission which negatively reflects on the Contractor's quality, fitness or capacity to perform a contract with the Plan/County, any other public entity, or a nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same; (3) committed an act or offense which indicates a lack of business integrity or business honesty; or (4) made or submitted a false claim against the PAC/County or any other public entity.

8.12.4 CONTRACTOR HEARING BOARD

1. If there is evidence that the Contractor may be subject to debarment, the TTC will notify the Contractor in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
2. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and TTC shall be provided an

opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

3. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.
4. If a Contractor has been debarred for a period longer than five years, the Contractor may after the debarment has been in effect for at least five years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the County.
5. The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the Contractor has been debarred for a period longer than five years; (2) the debarment has been in effect for at least five years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.
6. The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or

adopt the proposed decision and recommendation of the Contractor Hearing Board.

8.12.5 SUBCONTRACTORS OF CONTRACTOR

These terms shall also apply to Subcontractors of the Contractor.

8.13 CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW

The Contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the County's policy to encourage all Plan Contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in Exhibit I, in a prominent position at the Contractor's place of business. The Contractor will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. Information and posters for printing are available at <https://lacounty.gov/residents/family-services/child-safety/safe-surrender/>.

8.14 CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

8.14.1 The Contractor acknowledges that the County has established a goal of ensuring that all individuals who benefit financially from the County through Contract are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.

8.14.2 As required by the County's Child Support Compliance Program ([County Code Chapter 2.200](#)) and without limiting the Contractor's duty under this Contract to comply with all applicable provisions of law, the Contractor warrants that it is now in compliance and shall during the term of this Contract maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act ([42 USC Section 653a](#)) and [California Unemployment Insurance Code Section 1088.5](#), and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family or Spousal Support, pursuant to [Code of Civil Procedure Section 706.031](#) and [Family Code Section 5246\(b\)](#).

8.15 COUNTY'S QUALITY ASSURANCE PLAN

The PAC or its agent will monitor the Contractor's performance under this Contract on not less than an annual basis. Such monitoring will include

assessing the Contractor's compliance with all Contract terms and conditions and performance standards. Contractor's deficiencies, which the PAC's Contract Manager determines are significant or continuing and that may place performance of the Contract in jeopardy if not corrected, will be reported to the PAC, the Board, and listed in the appropriate Contractor performance database.

The report to the PAC and the Board will include improvement/corrective action measures taken by the PAC's Contract Administrator and the Contractor. If improvement does not occur consistent with the corrective action measures, the PAC may terminate this Contract or impose other penalties as specified in this Contract.

8.16 DAMAGE TO COUNTY FACILITIES, BUILDINGS, OR GROUNDS

8.16.1 The Contractor shall repair, or cause to be repaired, at its own cost, any and all damage to County facilities, buildings, or grounds caused by the Contractor or employees or Agents of the Contractor. Such repairs shall be made immediately after the Contractor has become aware of such damage, but in no event later than 30 days after the occurrence.

8.16.2 If the Contractor fails to make timely repairs, County may make any necessary repairs. The Contractor shall repay all costs for such repairs incurred by County as determined by County by cash payment upon demand.

8.17 EMPLOYMENT ELIGIBILITY VERIFICATION

8.17.1 The Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. The Contractor shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, ([P.L. 99-603](#)), or as they currently exist and as they may be hereafter amended. The Contractor shall retain all such documentation for all covered employees for the period prescribed by law.

8.17.2 The Contractor shall indemnify, defend, and hold harmless, the County, PAC, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the Contractor or the PAC or both in connection with any alleged

violation by the Contractor of any Federal and State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Contract.

8.18 COUNTERPARTS AND ELECTRONIC SIGNATURES AND REPRESENTATIONS

This Contract may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same Contract. The facsimile, email or electronic signature of the Parties shall be deemed to constitute original signatures, and facsimile or electronic copies hereof shall be deemed to constitute duplicate originals.

The PAC and the Contractor hereby agree to regard facsimile representations of original signatures of authorized officers of each party, when appearing in appropriate places on the Change Notices and/or Amendments prepared pursuant to Subparagraph 8.1, Change Notices and Amendments, and Subparagraph 8.34, Notices, of this Contract, and received via communications facilities (facsimile, email or electronic signature), as legally sufficient evidence that such legally binding signatures have been affixed to Change Notices and/or Amendments to this Contract.

8.19 FAIR LABOR STANDARDS

The Contractor shall comply with all applicable provisions of the [Federal Fair Labor Standards Act](#) and shall indemnify, defend, and hold harmless the County, PAC and its agents, officers, and employees from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law, including, but not limited to, the Federal Fair Labor Standards Act, for work performed by the Contractor's employees for which the County/PAC may be found jointly or solely liable.

8.20 FORCE MAJEURE

8.20.1 Neither party shall be liable for such party's failure to perform its obligations under and in accordance with this Contract, if such failure arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by such party or any of such party's Subcontractors), freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of such party (such events are referred to in this Subparagraph as "force majeure events").

8.20.2 Notwithstanding the foregoing, a default by a Subcontractor of Contractor shall not constitute a force majeure event, unless such default arises out of causes beyond the control of both Contractor and such Subcontractor, and without any fault or negligence of either of them. In such case, Contractor shall not be liable for failure to perform, unless the goods or services to be furnished by the Subcontractor were obtainable from other sources in sufficient time to permit Contractor to meet the required performance schedule. As used in this Subparagraph, the term “Subcontractor” and “Subcontractors” mean Subcontractors at any tier.

8.20.3 In the event Contractor's failure to perform arises out of a force majeure event, Contractor agrees to use commercially reasonable best efforts to obtain goods or services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such force majeure event.

8.21 GOVERNING LAW, JURISDICTION, AND VENUE

This Contract shall be governed by, and construed in accordance with, the laws of the State of California. The Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Contract and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

8.22 INDEPENDENT CONTRACTOR STATUS

8.22.1 This Contract is by and between the PAC and the Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between the PAC and the Contractor. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.

8.22.2 The Contractor shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Contract all compensation and benefits. Neither the County nor the PAC shall have any liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of the Contractor.

8.22.3 The Contractor understands and agrees that all persons performing work pursuant to this Contract are, for purposes of Workers' Compensation liability, solely employees of the Contractor and not employees of the County or PAC. The Contractor shall be solely liable and responsible for furnishing any and all Workers' Compensation benefits to any person as a result of any injuries arising from or connected with any work performed by or on behalf of the Contractor pursuant to this Contract.

8.22.4 The Contractor shall adhere to the provisions stated in Subparagraph 7.7, Confidentiality.

8.23 INDEMNIFICATION

The Contractor shall reimburse the Plan for, and shall indemnify, defend and hold harmless the County, the Plan(s), PAC, its officers, fiduciaries (excluding the Contractor) and employees and agents, from and against any and all claims, demands, damages, liabilities, losses, suits, costs, charges, expenses including, without limitation, defense costs, accounting and other expert, consulting, or professional fees, reasonable attorneys' fees and court costs, judgments, fines and penalties ("Claims"), arising from, connected with or relating in any manner to any bad faith, negligence, misconduct, misrepresentation, infringement of intellectual property rights, breach of the Standard of Care or breach of Contract by the Contractor, its officers, employees, agents, or Subcontractors, acting or failing to act in connection with this Contract, as determined by PAC in its sole judgment. Any legal defense pursuant to Contractor's indemnification and hold harmless obligations under this Paragraph 8.23 shall be conducted by Contractor and performed by the counsel selected by Contractor and approved by PAC, which approval shall not be unreasonably withheld. Notwithstanding the preceding sentence, PAC shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide PAC with a full and adequate defense, as determined by PAC in its sole reasonable judgment, PAC shall be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from the Contractor for all such costs and expenses incurred by County in doing so. The Contractor shall not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of County and/or PAC without County and/or PAC's prior written approval. This indemnification and hold harmless provision shall survive the expiration or other termination of this Contract.

8.24 GENERAL PROVISIONS FOR ALL INSURANCE COVERAGE

Without limiting the Contractor's indemnification of County and PAC, and in the performance of this Contract and until all of its obligations pursuant

to this Contract have been met, the Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Subparagraphs 8.24 and 8.25 of this Contract. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon the Contractor pursuant to this Contract. The County and PAC in no way warrant that the Required Insurance is sufficient to protect the Contractor for liabilities which may arise from or relate to this Contract.

8.24.1 EVIDENCE OF COVERAGE AND NOTICE TO COUNTY

1. Certificate(s) of Insurance Coverage (COI(s)) satisfactory to PAC, and a copy of an Additional Insured endorsement confirming PAC, County and its Agents has been given Insured status under the Contractor's General Liability policy, shall be delivered to PAC at the address shown below and provided prior to commencing services under this Contract.
2. Renewal COIs shall be provided to PAC not less than ten days prior to the Contractor's policy expiration dates. The PAC reserves the right to obtain complete, certified copies of any required Contractor and/or Subcontractor insurance policies at any time.
3. COIs shall identify all Required Insurance coverage types and limits specified herein, reference this Contract by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the COI shall match the name of the Contractor identified as the contracting party in this Contract. COIs shall provide the full name of each insurer providing coverage, its National Association of Insurance Commissioners (NAIC) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding \$50,000 and list any County/PAC required endorsement forms.
4. Neither the County's or the PAC's failure to obtain, nor the County's or PAC's receipt of, or failure to object to a non-complying COI or endorsement, or any other insurance documentation or information provided by the Contractor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.
5. COIs and copies of any required endorsements shall be sent to:

County of Los Angeles
Department of Treasurer and Tax Collector
Contracts Section
500 West Temple Street, Room 464
Los Angeles, California 90012

6. The Contractor also shall promptly report to PAC/County any injury or property damage accident or incident, including any injury to a Contractor employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of Plan's property, monies or securities entrusted to the Contractor. The Contractor also shall promptly notify PAC of any third party claim or suit filed against the Contractor or any of its Subcontractors which arises from or relates to this Contract, and could result in the filing of a claim or lawsuit against the Contractor and/or County/PAC.
7. In the event that the Contractor fails to comply with any of the Indemnification or insurance requirements of this Contract, and such failure to comply results in any costs to the County/PAC, the Contractor shall pay full compensation for all costs incurred by the County/PAC.

8.24.2 ADDITIONAL INSURED STATUS AND SCOPE OF COVERAGE

The PAC and County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, employees and volunteers (collectively PAC, County and its Agents) shall be provided additional insured status under Contractor's General Liability policy with respect to liability arising out of Contractor's ongoing and completed operations performed on behalf of the PAC, County and its Agents. PAC, County and its Agents' additional insured status shall apply with respect to liability and defense of suits arising out of the Contractor's acts or omissions, whether such liability is attributable to the Contractor, or to the County, PAC, and/or its Agents. The full policy limits and scope of protection also shall apply to the PAC, County and its Agents as additional insureds, even if they exceed the minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

8.24.3 CANCELLATION OF OR CHANGES IN INSURANCE

The Contractor shall provide County/PAC with, or the Contractor's insurance policies shall contain a provision that County/PAC shall receive, written notice of cancellation or any change in Required

Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County/PAC at least ten days in advance of cancellation for non-payment of premium and 30 days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Contract, in the sole discretion of the PAC, upon which the PAC may suspend or terminate this Contract.

8.24.4 FAILURE TO MAINTAIN INSURANCE

Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Contract, upon which PAC immediately may withhold payments due to Contractor, and/or suspend or terminate this Contract. PAC, at its sole discretion, may obtain damages from Contractor resulting from said breach. Alternatively, the PAC may purchase the Required Insurance, and without further notice to Contractor, deduct the premium cost from sums due to Contractor or pursue Contractor reimbursement.

8.24.5 INSURER FINANCIAL RATINGS

Coverage shall be placed with insurers acceptable to the PAC with A.M. Best ratings of not less than A:VII unless otherwise approved by PAC.

8.24.6 CONTRACTOR'S INSURANCE SHALL BE PRIMARY

The Contractor's insurance policies, with respect to any claims related to this Contract, shall be primary with respect to all other sources of coverage available to the Contractor. Any County and PAC maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Contractor coverage.

8.24.7 WAIVERS OF SUBROGATION

To the fullest extent permitted by law, the Contractor hereby waives its rights and its insurer(s)' rights of recovery against PAC and County under all the Required Insurance for any loss arising from or relating to this Contract. The Contractor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to affect such waiver.

8.24.8 SUBCONTRACTOR INSURANCE COVERAGE REQUIREMENTS

The Contractor shall include all Subcontractors as insureds under the Contractor's own policies or shall provide County with each Subcontractor's separate evidence of insurance coverage. The Contractor shall be responsible for verifying each Subcontractor complies with the Required Insurance provisions herein and shall require that each Subcontractor name the PAC and the Contractor as additional insureds on the Subcontractor's General Liability policy. Contractor shall obtain PAC's prior review and approval of any Subcontractor request for modification of the Required Insurance.

8.24.9 DEDUCTIBLES AND SELF-INSURED RETENTIONS (SIRs)

The Contractor's policies shall not obligate the PAC to pay any portion of any Contractor deductible or SIR. The PAC retains the right to require the Contractor to reduce or eliminate policy deductibles and SIRs as respects the PAC, or to provide a bond guaranteeing the Contractor's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

8.24.10 CLAIMS MADE COVERAGE

If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the Effective Date of this Contract. The Contractor understands and agrees it shall maintain such coverage for a period of not less than three years following Contract expiration, termination or cancellation.

8.24.11 APPLICATION OF EXCESS LIABILITY COVERAGE

Contractors may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

8.24.12 SEPARATION OF INSUREDs

All liability policies shall provide cross-liability coverage as would be afforded by the standard Insurance Services Office, Inc. (ISO) separation of insureds provision with no insured versus insured exclusions or limitations.

8.24.13 ALTERNATIVE RISK FINANCING PROGRAMS

The PAC reserves the right to review, and then approve, the Contractor use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. The PAC, County and its Agents shall be designated as an Additional Covered Party under any approved program.

8.24.14 PAC REVIEW AND APPROVAL OF INSURANCE REQUIREMENTS

The County/PAC reserves the right to review and adjust the Required Insurance provisions, conditioned upon County/PAC's determination of changes in risk exposures.

8.25 INSURANCE COVERAGE

8.25.1 COMMERCIAL GENERAL LIABILITY

Insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming PAC, County, and its Agents as an additional insured, with limits of not less than:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$1 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

8.25.2 AUTOMOBILE LIABILITY

Insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of the Contractor's use of autos pursuant to this Contract, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

8.25.3 WORKERS COMPENSATION AND EMPLOYERS' LIABILITY

Insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident. If the Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO

policy form WC 00 03 01 A) naming the PAC as the Alternate Employer. The written notice shall be provided to the PAC at least ten days in advance of cancellation for non-payment of premium and 30 days in advance for any other cancellation or policy change. If applicable to Contractor's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

8.25.4 PROFESSIONAL LIABILITY/ERRORS AND OMISSIONS

Insurance covering the Contractor's liability arising from or related to this Contract, with limits of not less than \$1 million per claim and \$2 million aggregate. Further, the Contractor understands and agrees it shall maintain such coverage for a period of not less than three years following this Agreement's expiration, termination or cancellation.

8.26 LIQUIDATED DAMAGES

8.26.1 If, in the judgment of PAC, the Contractor is deemed to be non-compliant with the terms and obligations assumed hereby, PAC, in addition to, or in lieu of, other remedies provided herein, may withhold the entire quarterly payment or deduct pro rata from the Contractor's invoice for work not performed. A description of the work not performed and the amount to be withheld or deducted from payments to the Contractor from the Plan, will be forwarded to the Contractor by PAC, in a written notice describing the reasons for said action.

8.26.2 If PAC determines that there are deficiencies in the performance of this Contract that PAC deems correctable by the Contractor over a certain time span, PAC will provide a written notice to the Contractor to correct the deficiency within specified time frames. Should the Contractor fail to correct deficiencies within said time frame, PAC may: (a) Deduct from the Contractor's payment, pro rata, those applicable portions of the Contract Sum; and/or (b) Deduct liquidated damages. The parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of the Contractor to correct a deficiency within the specified time frame. The parties hereby agree that under the current circumstances a reasonable estimate of such damages shall be as specified in the Statement of Work and Contract Exhibit 2, Performance Requirements Summary (PRS) Chart, of Exhibit C, SOW and Contract Exhibits, of the SOW, hereunder, and that the Contractor shall be liable to the Plan for liquidated damages in said amount. Said amount shall

be deducted from the Plan's payment to the Contractor; and/or (c) Upon giving five days' notice to the Contractor for failure to correct the deficiencies, the Plan may correct any and all deficiencies and the total costs incurred by the Plan for completion of the work by an alternate source, whether it be PAC forces or separate private Contractor, will be deducted and forfeited from the payment to the Contractor from the Plan, as determined by the PAC.

8.26.3 The action noted in Subparagraph 8.26.2 shall not be construed as a penalty, but as adjustment of payment to the Contractor to recover the Plan cost due to the failure of the Contractor to complete or comply with the provisions of this Contract.

8.26.4 This Subparagraph shall not, in any manner, restrict or limit the PAC's right to damages for any breach of this Contract provided by law or as specified in the PRS or Subparagraph 8.26.2, and shall not, in any manner, restrict or limit the PAC's right to terminate this Contract as agreed to herein.

8.27 MOST FAVORED PUBLIC ENTITY

If the Contractor's prices decline, or should the Contractor at any time during the Contract Term provide the same goods or services under similar quantity and delivery conditions to the State of California or any county, municipality, or district of the State at prices below those set forth in this Contract, then such lower prices shall be immediately extended to the Plan.

8.28 NONDISCRIMINATION AND AFFIRMATIVE ACTION

8.28.1 The Contractor certifies and agrees that all persons employed by it, its Affiliates, subsidiaries, or holding companies are and shall be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable federal and state anti-discrimination laws and regulations.

8.28.2 The Contractor shall certify to, and comply with, the provisions of Exhibit D, Contractor's EEO Certification.

8.28.3 The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable federal and state anti-discrimination laws and regulations. Such

action shall include, but is not limited to: 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.

- 8.28.4** The Contractor certifies and agrees that it will deal with its Subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability, marital status, or political affiliation.
- 8.28.5** The Contractor certifies and agrees that it, its Affiliates, subsidiaries, or holding companies shall comply with all applicable federal and state laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract.
- 8.28.6** The Contractor shall allow County/PAC representatives access to the Contractor's employment records during regular business hours to verify compliance with the provisions of Subparagraph 8.28, Nondiscrimination and Affirmative Action, of this Contract, when so requested by the PAC.
- 8.28.7** If the PAC finds that any provisions of Subparagraph 8.28, Nondiscrimination and Affirmative Action, of this Contract, have been violated, such violation shall constitute a material breach of this Contract upon which the PAC may terminate or suspend this Contract. While the PAC reserves the right to determine independently that the anti-discrimination provisions of this Contract have been violated, in addition, a determination by the California Fair Employment and Housing Commission or the Federal Equal Employment Opportunity Commission that the Contractor has violated federal or state anti-discrimination laws or regulations shall constitute a finding by the PAC that the Contractor has violated the anti-discrimination provisions of this Contract.
- 8.28.8** The parties agree that in the event the Contractor violates any of the anti-discrimination provisions of this Contract, the PAC shall, at its sole option, be entitled to the sum of \$500 for each such violation pursuant to [California Civil Code Section 1671](#) as liquidated damages in lieu of terminating or suspending this Contract.

8.29 NON EXCLUSIVITY

Nothing herein is intended nor shall be construed as creating any exclusive arrangement with the Contractor. This Contract shall not restrict PAC from acquiring similar, equal or like goods and/or services from other entities or sources.

8.30 NOTICE OF DELAYS

Except as otherwise provided under this Contract, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Contract, that party shall, within one business day, give notice thereof, including all relevant information with respect thereto, to the other party.

8.31 DISPUTE RESOLUTION PROCEDURE

It is the intent of the parties that all disputes arising under this Contract be resolved expeditiously, amicably, and at the level within each party's organization that is most knowledgeable about the disputed issue. The parties understand and agree that the procedures outlined in this Subparagraph are not intended to supplant the routine handling of inquiries and complaints through informal contact with their respective managers. Accordingly, for purposes of the procedures set forth in this Subparagraph, a "dispute" shall mean any action, dispute, claim, or controversy of any kind, whether in contract or tort, statutory or common law, legal or equitable, now existing or hereafter arising under or in connection with, or in any way pertaining to this Contract.

8.31.1 Contractor and PAC agree to act with urgency to mutually resolve any disputes, which may arise with respect to this contract. All such disputes shall be subject to the provisions of this Subparagraph 8.31, Dispute Resolution Procedure, (such provisions shall be collectively referred to as the "Dispute Resolution Procedure"). Time is of the essence in the resolution of disputes.

8.31.2 Contractor and PAC agree that, the existence and details of a dispute notwithstanding, both parties shall continue without delay their performance hereunder, except for any performance, which the PAC determines should be delayed as a result of such dispute.

8.31.3 If Contractor fails to continue without delay its performance hereunder which the PAC, in its sole discretion, determines should not be delayed as a result of such dispute, then any additional costs, which may be incurred by the Contractor or PAC as a result of Contractor's failure to continue to so perform shall

be borne by the Contractor, and Contractor shall make no claim whatsoever against the PAC for such costs. Contractor shall promptly reimburse the PAC for such PAC costs, as determined by the PAC, or PAC may deduct all such additional costs from any amounts due to the Contractor from the PAC.

- 8.31.4** If PAC fails to continue without delay to perform its responsibilities under this Contract, which PAC determines should not be delayed as a result of such dispute, then any additional costs incurred by the Contractor or the PAC as a result of PAC's failure to continue to so perform shall be borne by the PAC, and PAC shall make no claim whatsoever against the Contractor for such costs. PAC shall promptly reimburse Contractor for all such additional Contractor costs subject to the approval of such costs by the PAC.
- 8.31.5** In the event of any dispute between the parties with respect to this Contract, Contractor and PAC shall submit the matter to their respective Contract Managers for the purpose of endeavoring to resolve such dispute.
- 8.31.6** In the event that the Contract Managers are unable to resolve the dispute within a reasonable time not to exceed ten days from the date of submission of the dispute to them, then the matter shall be immediately submitted to the parties' respective Contract Administrators for further consideration and discussion to attempt to resolve the dispute.
- 8.31.7** In the event that the Contract Administrators are unable to resolve the dispute within a reasonable time not to exceed ten days from the date of submission of the dispute to them, then the matter shall be immediately submitted to Contractor's president or equivalent and the Treasurer and Tax Collector, or his/her designee. These persons shall have ten days to attempt to resolve the dispute.
- 8.31.8** In the event that at these levels, there is not a resolution of the dispute acceptable to both parties, then each party may assert its other rights and remedies provided under this Contract and/or its rights and remedies as provided by law.
- 8.31.9** All disputes utilizing this dispute resolution procedure shall be documented in writing by each party and shall state the specifics of each alleged dispute and all actions taken. The parties shall act in good faith to resolve all disputes. At all three levels described in this Subparagraph 8.31, Dispute Resolution Procedure, the efforts to resolve a dispute shall be undertaken by

conference between the parties' respective representatives, either orally, by face-to-face meeting or by telephone, or in writing by exchange of correspondence.

8.31.10 Notwithstanding any other provision of this Contract, PAC's right to terminate this Contract or to seek injunctive relief to enforce the provisions of Subparagraph 7.7, Confidentiality, shall not be subject to this Dispute Resolution Procedure. The preceding sentence is intended only as a clarification of PAC's rights and shall not be deemed to impair any claims that the County may have against the Contractor or PAC's rights to assert such claims after any such termination or such injunctive relief has been obtained.

8.31.11 Contractor shall bring to the attention of the PAC's Contract Manager and/or PAC's Contract Administrator any dispute between the PAC and the Contractor regarding the performance of services as stated in this Contract.

8.32 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

The Contractor shall notify its employees, and shall require each Subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in [Internal Revenue Service Notice No. 1015](#).

8.33 NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW

The Contractor shall notify and provide to its employees and shall require each Subcontractor to notify and provide to its employees, information regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The information is set forth in Exhibit I, Safely Surrendered Baby Law. Additional information is available at <https://lacounty.gov/residents/family-services/child-safety/safe-surrender/>.

8.34 NOTICES

All notices or demands required or permitted to be given or made under this Contract shall be in writing and shall be hand delivered with signed receipt or mailed by first-class registered or certified mail, postage prepaid, addressed to the parties as identified in Exhibit E, PAC's Administration and Exhibit F, Contractor's Administration, or via facsimile representation, email, or electronic signature pursuant to Subparagraph 8.18, Counterparts and Electronic Signatures and

Representations. Addresses may be changed by either party giving ten days' prior written notice thereof to the other party. The Treasurer and Tax Collector, or a designee authorized by the Treasurer and Tax Collector, shall have the authority to issue all notices or demands required or permitted by the County/PAC under this Contract.

8.35 PROHIBITION AGAINST INDUCEMENT OR PERSUASION

Notwithstanding the above, the Contractor and the PAC agree that, during the Contract Term and for a period of one year thereafter, neither party shall in any way intentionally induce or persuade any employee of one party to become an employee or agent of the other party. No bar exists against any hiring action initiated through a public announcement.

8.36 CALIFORNIA PUBLIC RECORDS ACT

Any documents submitted by the Contractor; all Information obtained in connection with the PAC's right to audit and inspect the Contractor's documents, books, and accounting records pursuant to Subparagraph 8.38, Record Retention and Inspection/Audit Settlement, of this Contract; as well as those documents which were required to be submitted in response to the Request for Proposals used in the solicitation process for this Contract, become the exclusive property of the Plan. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California [Government Code Section 6250 et seq](#) (Public Records Act) and which are marked "trade secret," "confidential," or "proprietary." Neither the County, the PAC, nor the Plan shall in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if the County, the PAC, or the Plan determine, in their discretion, that disclosure is required by law, or disclosure is otherwise required by an order issued by a court of competent jurisdiction.

In the event the Plan or County is required to defend an action on a Public Records Act request for any of the aforementioned documents, Information, books, records, and/or contents of a proposal marked "trade secret," "confidential," or "proprietary," the Contractor agrees to defend and indemnify the Plan from all costs and expenses, including reasonable attorney's fees, in action or liability arising under the Public Records Act.

8.37 PUBLICITY

8.37.1 The Contractor shall not disclose any details in connection with this Contract to any person or entity except as may be otherwise provided hereunder or required by law. However, in recognizing the Contractor's need to identify its services and related clients to sustain itself, the PAC shall not inhibit the Contractor from

publishing its role under this Contract within the following conditions:

1. The Contractor shall develop all publicity material in a professional manner; and
2. During the Contract Term, the Contractor shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of the County or the PAC without the prior written consent of the PAC's Contract Administrator. The PAC shall not unreasonably withhold written consent.

8.37.2 The Contractor may, without the prior written consent of PAC, indicate in its proposals and sales materials that it has been awarded this Contract with the PAC, provided that the requirements of this Subparagraph 8.37 shall apply.

8.38 RECORD RETENTION AND INSPECTION/AUDIT SETTLEMENT

8.38.1 The Contractor shall maintain accurate and complete financial records of its activities and operations relating to this Contract in accordance with generally accepted accounting principles. The Contractor shall also maintain accurate and complete employment and other records relating to its performance of this Contract. The Contractor agrees that the PAC, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating to this Contract. All such material including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, and proprietary Data and Information shall be kept and maintained by the Contractor and shall be made available to the PAC during the Contract Term and for a period of five years thereafter unless the PAC's written permission is given to dispose of any such material prior to such time. All such material shall be maintained by the Contractor at a location in the County, provided that if any such material is located outside of the County, then, at the County's option, the Contractor shall pay the PAC's designee for travel, per diem, and other costs incurred by the PAC's designee to examine, audit, excerpt, copy, or transcribe such material at such other location. At PAC's request, Contractor shall provide such materials in digital format.

- 8.38.2** In the event that an audit of the Contractor is conducted specifically regarding this Contract by any federal or state auditor, or by any auditor or accountant employed by the Contractor or otherwise, then the Contractor shall file a copy of such audit report with the County's A-C within 30 days of the Contractor's receipt thereof, unless otherwise provided by applicable federal or state law or under this Contract. Subject to applicable law, the PAC shall make a reasonable effort to maintain the confidentiality of such audit report(s).
- 8.38.3** Failure on the part of the Contractor to comply with any of the provisions of Subparagraph 8.38, Record Retention and Inspection/Audit Settlement, of this Contract, shall constitute a material breach of this Contract upon which the PAC may terminate or suspend this Contract.
- 8.38.4** If, at any time during the Contract Term or within five years after the expiration or termination of this Contract, representatives of the Plan may conduct an audit of the Contractor regarding the work performed under this Contract, and if such audit finds that the PAC dollar liability for any such work is less than payments made by the PAC to the Contractor, then the difference shall be either: a) repaid by the Contractor to the PAC by cash payment upon demand or b) at the sole option of the County's A-C, deducted from any amounts due to the Contractor from the PAC, whether under this Contract or otherwise. If such audit finds that the PAC's dollar liability for such work is more than the payments made by the PAC to the Contractor, then the difference shall be paid to the Contractor by the PAC by cash payment, provided that in no event shall the PAC's maximum obligation for this Contract exceed the funds appropriated by the PAC for the purpose of this Contract.

8.38.5 FINANCIAL STATEMENTS AND PENDING LITIGATION

Beginning one year after the Effective Date of this Contract and every year thereafter until the expiration of this Contract, Contractor shall submit to PAC a complete set of financial statements, audited if available, for the preceding 12-month period. Such statements shall, at a minimum, include a Balance Sheet (Statement of Financial Position), and Income Statement (Statement of Operations). In addition, the Contractor shall submit a statement regarding any pending or threatened litigation since the Contractor last reported same to the PAC. PAC reserves the right to request these audited financial statements on a more frequent basis and will so notify the Contractor in writing.

All financial statements will be kept confidential, only if stamped or marked as confidential on each page of the financial statement.

8.39 RECYCLED BOND PAPER

Consistent with the Board's policy to reduce the amount of solid waste deposited at the County landfills, the Contractor agrees to use recycled-content paper to the maximum extent possible on this Contract.

8.40 SUBCONTRACTING

8.40.1 If the Contractor desires to subcontract, the work requirements of this Contract may not be subcontracted by the Contractor **without the advance written approval of the Treasurer and Tax Collector or designee in conjunction with the approval of County's Chief Information Security Officer and/or Chief Privacy Officer**. Any attempt by the Contractor to subcontract without the prior consent of the above parties may be deemed a material breach of this Contract.

8.40.2 Following written approval by the Treasurer and Tax Collector or designee in conjunction with County's Chief Information Security Officer and/or Chief Privacy Officer, the PAC's Contract Administrator is authorized to act for and on behalf of the PAC with respect to approval of any subcontract and Subcontractor employees. After approval of the subcontract, Contractor shall forward a fully executed subcontract to the PAC for its files.

8.40.3 After the Contractor has engaged an approved Subcontractor, the Contractor shall provide the following information promptly at the PAC's request and prior to any work being performed by the Subcontractor:

1. A description of the work to be performed by the Subcontractor;
2. A draft copy of the proposed subcontract; and
3. Written agreement from each Subcontractor and/or third party, certifying it shall comply with and be bound by the applicable terms of Exhibit K, Information Security and Privacy Requirements, of this Contract; and
4. Other pertinent information and/or certifications requested by the PAC.

8.40.4 The Contractor shall indemnify, defend, and hold the PAC and County harmless with respect to the activities of each and every

Subcontractor in the same manner and to the same degree as if such Subcontractor(s) were Contractor employees.

- 8.40.5** The Contractor shall remain fully responsible for all performances required of it under this Contract, including those that the Contractor has determined to subcontract, notwithstanding the PAC approval of the Contractor's proposed subcontract.
- 8.40.6** The PAC's consent to subcontract shall not waive the PAC's right to prior and continuing approval of any and all personnel, including Subcontractor employees, providing services under this Contract. The Contractor is responsible to notify its Subcontractors of PAC's right.
- 8.40.7** The Contractor shall be solely liable and responsible for all payments or other compensation to all Subcontractors and their officers, employees, Agents, and successors in interest arising through services performed hereunder, notwithstanding the PAC's consent to subcontract.
- 8.40.8** The Contractor shall obtain COIs, which establish that the Subcontractor maintains all the programs of insurance required by the PAC from each approved Subcontractor. Before any Subcontractor employee may perform any work hereunder, the Contractor shall ensure delivery of all such documents to:

County of Los Angeles
Department of Treasurer and Tax Collector
Contracts Section
500 West Temple Street, Room 464
Los Angeles, California 90012

8.41 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

Failure of the Contractor to maintain compliance with the requirements set forth in Subparagraph 8.14, Contractor's Warranty of Adherence to County's Child Support Compliance Program, of this Contract, shall constitute default under this Contract. Without limiting the rights and remedies available to the County under any other provision of this Contract, failure of the Contractor to cure such default within 90 calendar days of written notice shall be grounds upon which the PAC may terminate this Contract pursuant to Subparagraph 8.43, Termination for Default, of this Contract, and pursue debarment of the Contractor, pursuant to [County Code Chapter 2.202](#).

8.42 TERMINATION FOR CONVENIENCE

8.42.1 This Contract may be terminated, in whole or in part, from time to time, when such action is deemed by the PAC, in its sole discretion, to be in its best interest. Termination of work hereunder shall be effected by a Notice of Termination to the Contractor specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than ten calendar days after the notice is sent. In no event shall PAC's termination of this Contract pursuant to Subparagraph 8.42, Termination for Convenience, of this Contract, be deemed a waiver of Plan's right to make a claim against the Contractor for damages resulting from any default by the Contractor or its Agents which occurred prior to the Effective Termination Date.

8.42.2 After receipt of a Notice of Termination for Convenience and except as otherwise directed by the PAC, the Contractor shall:

1. Stop work under this Contract on the date and to the extent specified in such notice, and
2. Complete performance of such part of the work as shall not have been terminated by such notice.

8.42.3 All material including books, records, documents, or other evidence bearing on the costs and expenses of the Contractor under this Contract shall be maintained by the Contractor in accordance with Subparagraph 8.38, Record Retention and Inspection/Audit Settlement, of this Contract.

8.43 TERMINATION FOR DEFAULT

8.43.1 The PAC may, by written notice to the Contractor, terminate the whole or any part of this Contract if in the judgment of the PAC's Contract Administrator:

1. Contractor or any of its Agents materially breached this Contract; or
2. Contractor or any of its Agents fails to timely provide and/or satisfactorily perform any task, deliverable, service, or other work required either under this Contract; or
3. Contractor fails to demonstrate a high probability of timely fulfillment of performance requirements under this Contract, or of any obligations of this Contract and in either case, fails to

demonstrate convincing progress toward a cure within five working days (or such longer period as the PAC may authorize in writing) after receipt of written notice from the PAC specifying such failure; or

4. Without prior notice or cure if the Contractor or any of its Agents materially breaches any of the warranties, representations and covenants made in Subparagraph 7.9, Contractor's Representations, Warranties and Covenants, of this Contract, as to adversely affect Plan; or
5. Without prior notice or cure if the Contractor is subject to criminal investigation, indictment or conviction, or is found civilly or criminally liable by a trial court, judge or administrative panel in connection with any matter involving breach of trust or fiduciary duty, fraud, theft, or moral turpitude; or
6. Without prior notice or cure if the Contractor attempts or purports to assign this Contract, or any portion thereof, or any of its rights or obligations hereunder, without the prior written consent of PAC, except as provided in Subparagraph 8.2, Assignment and Delegation/Mergers or Acquisitions, of this Contract.

8.43.2 In the event that the TTC/PAC terminates this Contract in whole or in part as provided in Subparagraph 8.43, Termination for Default, of this Contract, the TTC/PAC may procure, upon such terms and in such manner as the TTC/PAC may deem appropriate, goods and services similar to those so terminated. The Contractor shall be liable to the Plan for any and all Excess Costs incurred by the Plan, as determined by the TTC/PAC, for such similar goods and services. The Contractor shall continue the performance of this Contract to the extent not terminated under the provisions of this Subparagraph.

8.43.3 Except with respect to defaults of any Subcontractor, the Contractor shall not be liable for any such Excess Costs of the type identified in Subparagraph 8.43.2, of this Contract, if its failure to perform this Contract arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not limited to, acts of God or of the public enemy, acts of the County in either its sovereign or contractual capacity, acts of Federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond

the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a Subcontractor, and if such default arises out of causes beyond the control of both the Contractor and Subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any such Excess Costs for failure to perform, unless the goods or services to be furnished by the Subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule. As used in this Subparagraph, the term "Subcontractor(s)" means Subcontractor(s) at any tier.

8.43.4 If after the PAC has given notice of termination under the provisions of Subparagraph 8.43, Termination for Default, of this Contract, it is determined by the PAC that the Contractor was not in default under the provisions of Subparagraph 8.43, Termination for Default, of this Contract, or that the default was excusable under the provisions of Subparagraph 8.43.3, of this Contract, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Subparagraph 8.42, Termination for Convenience, of this Contract.

8.43.5 The rights and remedies of PAC provided in Subparagraph 8.43, Termination for Default, of this Contract, shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.44 TERMINATION FOR IMPROPER CONSIDERATION

8.44.1 The PAC may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Contract if it is found that consideration, in any form, was offered or given by the Contractor, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing the Contract or securing favorable treatment with respect to the award, amendment, or extension of the Contract or the making of any determinations with respect to the Contractor's performance pursuant to this Contract. In the event of such termination, the PAC will be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

8.44.2 The Contractor must immediately report any attempt by a PAC/County officer, employee, or agent to solicit such improper consideration. The report must be made to the Los Angeles

County Fraud Hotline at (800) 544-6861 or
<http://fraud.lacounty.gov/>.

- 8.44.3** Among other items, such improper consideration may take the form of cash, discounts, services, the provision of travel or entertainment, or tangible gifts.

8.45 TERMINATION FOR INSOLVENCY

- 8.45.1** PAC may terminate this Contract forthwith in the event of the occurrence of any of the following:

1. Insolvency of the Contractor. The Contractor shall be deemed to be insolvent if it has ceased to pay its debts for at least 60 days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not the Contractor is insolvent within the meaning of the Federal Bankruptcy Code;
2. The filing of a voluntary or involuntary petition regarding the Contractor under the Federal Bankruptcy Code;
3. The appointment of a Receiver or Trustee for the Contractor;
or
4. The execution by the Contractor of a general assignment for the benefit of creditors.

- 8.45.2** The rights and remedies of the Plan provided in this Subparagraph 8.45, Termination for Insolvency, of this Contract, shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.46 TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE

The Contractor, and each County Lobbyist or County Lobbying firm as defined in [County Code Section 2.160.010](#) retained by the Contractor, shall fully comply with the County's Lobbyist Ordinance, [County Code Chapter 2.160](#). Failure on the part of the Contractor or any County Lobbyist or County Lobbying firm retained by the Contractor to fully comply with the County's Lobbyist Ordinance shall constitute a material breach of this Contract, upon which the PAC may in its sole discretion, immediately terminate or suspend this Contract.

8.47 INTENTIONALLY OMITTED

8.48 VALIDITY

If any provision of this Contract or the application thereof to any person or circumstance is held invalid, the remainder of this Contract and the application of such provision to other persons or circumstances shall not be affected thereby.

8.49 WAIVER

No waiver by the PAC of any breach of any provision of this Contract shall constitute a waiver of any other breach or of such provision. Failure of the PAC to enforce at any time, or from time to time, any provision of this Contract shall not be construed as a waiver thereof. The rights and remedies set forth in this Subparagraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.50 WARRANTY AGAINST CONTINGENT FEES

8.50.1 The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon any Contract or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

8.50.2 For breach of this warranty, the PAC shall have the right to terminate this Contract and, at its sole discretion, deduct from the Contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

8.51 WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

The Contractor acknowledges that the County has established a goal of ensuring that all individuals and businesses that benefit financially from the County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.

Unless the Contractor qualifies for an exemption or exclusion, the Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the Contract Term will maintain compliance with [County Code Chapter 2.206](#).

8.52 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

Failure of the Contractor to maintain compliance with the requirements set forth in Subparagraph 8.51, Warranty of Compliance with County's Defaulted Property Tax Reduction Program, of this Contract, shall constitute default under this Contract. Without limiting the rights and remedies available to the County under any other provision of this Contract, failure of the Contractor to cure such default within ten days of notice shall be grounds upon which the PAC/County may terminate this Contract and/or pursue debarment of the Contractor, pursuant to [County Code Chapter 2.206](#).

8.53 RIGHTS, REMEDIES AND RESPONSIBILITIES UPON TERMINATION

In the event of any termination of this Contract, all of the terms and conditions herein shall continue to apply through the Effective Termination Date and through any Transition Period following such date, during which period the Contractor and its Agents shall continue to perform the services required hereunder at the existing compensation level for such services, in order to complete any transactions pending on the Effective Termination Date and to facilitate an orderly transition to a successor Contractor ("Transition Period"). Such Transition Period shall not exceed 12 months after the Effective Termination Date. The following provisions shall also apply to any termination of this Contract:

8.53.1 RIGHT TO SUSPEND PERFORMANCE

Immediately upon giving any Notice of Termination for Convenience pursuant to Subparagraph 8.42, Termination for Convenience or Notice of Termination for Default pursuant to Subparagraph 8.43, Termination for Default, of this Contract, PAC may, to the extent it deems necessary or appropriate, suspend, to the extent possible, the authority of the Contractor or its Agents to perform any or all of the acts and services described in this Contract including, without limitation, the right to enter into any contract binding upon PAC (Notice of Suspension). PAC may include such Notice of Suspension in the Notice of Termination or submit it in a separate written notice.

8.53.2 POST-TERMINATION RESPONSIBILITIES

If either party terminates this Contract, and unless otherwise expressly directed by PAC, the Contractor and its Agents shall:

- (a) take all necessary steps to stop services under this Contract on the Effective Termination Date and to the extent specified in

the Notice of Termination; (b) continue to perform those services, if any, which have not been terminated by the Notice of Termination; (c) continue to process all payments due, and complete all other transactions pending on the Effective Termination Date; and (d) deliver to PAC/County or third party designated by PAC/County, in good form, any Property which Contractor or its Agents hold in or for PAC Account, pursuant to PAC instructions.

8.53.3 TERMINATION INVOICE

Following the Effective Termination Date of this Contract, the Contractor shall submit a Termination Invoice to PAC, in the form and with any reasonable certifications as may be prescribed by PAC. The Termination Invoice shall prorate the Contractor's fees and expenses, on a daily basis, for work already performed but for which the Contractor has not been compensated through the effective Termination Date, in accordance with the then current Exhibit B, Pricing Schedule. The Contractor shall submit such Termination Invoice no later than three months after the Effective Termination Date or, as applicable, no later than three months following the Transition Period. Upon the Contractor's failure to submit its Termination Invoice within the time allowed, PAC may determine, on the basis of information available to PAC, and with notice to the Contractor, the amount, if any, due to the Contractor and such determination shall be deemed final. After PAC has made such determination, or after the Contractor has submitted its Termination Invoice and subject to the provisions of Subparagraphs 5.5.7, County Approval of Invoices, and 5.5.8, Disputed Fees, of this Contract, PAC shall make payment to the Contractor.

8.53.4 PAYMENT WITHHELD FOR DEFAULT

PAC shall not authorize and shall withhold payment for those parts of this Contract that PAC terminated for default pursuant to Subparagraph 8.43, Termination for Default, of this Contract. Payment for services which PAC received prior to such default will be determined in accordance with Subparagraph 8.53.3, Termination Invoice, of this Contract.

8.53.5 NEW SERVICE PROVIDER; EXCESS COSTS

If PAC terminates this Contract for default pursuant to Subparagraph 8.43, Termination for Default, of this Contract, PAC may procure from a third party, upon such terms and in such manner as PAC deems appropriate, services similar to those

services terminated. The Contractor shall be liable to PAC for Excess Costs for a period not to exceed 180 calendar days; provided, however, the Contractor shall not be liable for any Excess Costs if Contractor's or its Agents' failure to perform arises from causes beyond the control and without the fault or negligence of the Contractor or its Agents, including but not limited to causes of Force Majeure. The Contractor and its Agents shall continue to perform those provisions of this Contract, if any, that have not been terminated, to the extent possible.

8.53.6 INTENTIONALLY OMITTED

8.53.7 INTENTIONALLY OMITTED

8.53.8 PROPERTY FREELY TRANSFERABLE

In the event of any termination of this Contract, all Plan Property held by the Contractor and its Agents shall remain freely transferable without additional consideration.

8.53.9 CUMULATIVE NATURE OF RIGHTS AND REMEDIES

The rights and remedies of the parties provided by Subparagraph 8.53, Rights, Remedies and Responsibilities upon Termination, of this Contract, are not exclusive, but cumulative and in addition to any other rights and remedies provided by law, in equity or under any of the provisions of this Contract.

8.54 TIME OFF FOR VOTING

The Contractor shall notify its employees, and shall require each Subcontractor to notify and provide to its employees, information regarding the time off for voting law ([Elections Code Section 14000](#)). Not less than ten days before every statewide election, every Contractor and Subcontractors shall keep posted conspicuously at the place of work, if practicable, or elsewhere where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of Section 14000.

8.55 COMPLIANCE WITH COUNTY'S ZERO TOLERANCE POLICY ON HUMAN TRAFFICKING

The Contractor acknowledges that the County has established a Zero Tolerance Policy on Human Trafficking prohibiting Contractors from engaging in human trafficking.

If the Contractor or member of the Contractor's staff is convicted of a human trafficking offense, the PAC/County shall require that the

Contractor or member of the Contractor's staff be removed immediately from performing services under the Contract. The PAC/County will not be under any obligation to disclose confidential Information regarding the offenses other than those required by law.

Disqualification of any member of the Contractor's staff pursuant to this Subparagraph shall not relieve the Contractor of its obligation to complete all work in accordance with the terms and conditions of this Contract.

8.56 COMPLIANCE WITH FAIR CHANCE EMPLOYMENT HIRING PRACTICES

The Contractor shall comply with fair chance employment hiring practices set forth in [California Government Code Section 12952](#), Employment Discrimination: Conviction History. The Contractor's violation of this Subparagraph of the Contract may constitute a material breach of the Contract. In the event of such material breach, the PAC may, in its sole discretion, terminate the Contract.

8.57 COMPLIANCE WITH THE COUNTY POLICY OF EQUITY

The Contractor acknowledges that the County takes its commitment to preserving the dignity and professionalism of the workplace very seriously, as set forth in the County Policy of Equity (CPOE) (<https://ceop.lacounty.gov>). The Contractor further acknowledges that the County strives to provide a workplace free from discrimination, harassment, retaliation, and inappropriate conduct based on a protected characteristic, and which may violate the CPOE. The Contractor, its employees and Subcontractors acknowledge and certify receipt and understanding of the CPOE. Failure of the Contractor, its employees or its Subcontractors to uphold the County's expectations of a workplace free from harassment and discrimination, including inappropriate conduct based on a protected characteristic, may subject the Contractor to termination of contractual agreements as well as civil liability.

8.58 PROHIBITION FROM PARTICIPATION IN FUTURE SOLICITATION(S)

A Proposer, or a Contractor or its subsidiary or Subcontractor ("Proposer/Contractor"), is prohibited from submitting a bid or proposal in a County solicitation if the Proposer/Contractor has provided advice or consultation for the solicitation. A Proposer/Contractor is also prohibited from submitting a bid or proposal in a County solicitation if the Proposer/Contractor has developed or prepared any of the solicitation materials on behalf of the County. A violation of this provision shall result in the disqualification of the Contractor/Proposer from participation in the County solicitation or the termination or cancellation of any resultant

County contract. This provision shall survive the expiration or other termination of this Agreement.

8.59 COVID-19 VACCINATIONS OF COUNTY CONTRACTOR PERSONNEL

- 8.59.1** At Contractor's sole cost, Contractor shall comply with [Chapter 2.212](#) (COVID-19 Vaccinations of County Contractor Personnel) of County Code Title 2 – Administration, Division 4. All employees of Contractor and persons working on its behalf, including but not limited to, Subcontractors of any tier (collectively, “Contractor Personnel”), must be fully vaccinated against the novel coronavirus 2019 (“COVID-19”) prior to (1) interacting in person with County employees, interns, volunteers, and commissioners (“County workforce members”), (2) working on County owned or controlled property while performing services under this Contract, and/or (3) coming into contact with the public while performing services under this Contract (collectively, “In-Person Services”).
- 8.59.2** Contractor Personnel are considered “fully vaccinated” against COVID-19 two weeks or more after they have received (1) the second dose in a 2-dose COVID-19 vaccine series (e.g. Pfizer-BioNTech or Moderna), (2) a single-dose COVID-19 vaccine (e.g., Johnson and Johnson [J&J]/Janssen), or (3) the final dose of any COVID-19 vaccine authorized by the World Health Organization (“WHO”).
- 8.59.3** Prior to assigning Contractor Personnel to perform In-Person Services, Contractor shall obtain proof that such Contractor Personnel have been fully vaccinated by confirming Contractor Personnel is vaccinated through any of the following documentation: (1) official COVID-19 Vaccination Record Card (issued by the Department of Health and Human Services, CDC or WHO Yellow Card), which includes the name of the person vaccinated, type of vaccine provided, and date of the last dose administered (“Vaccination Record Card”); (2) copy (including a photographic copy) of a Vaccination Record Card; (3) Documentation of vaccination from a licensed medical provider; (4) a digital record that includes a quick response (“QR”) code that when scanned by a SMART HealthCard reader displays to the reader client name, date of birth, vaccine dates, and vaccine type, and the QR code confirms the vaccine record as an official record of the State of California; or (5) documentation of vaccination from Contractors who follow the CDPH vaccination records guidelines and standards. Contractor shall also provide written notice to County before the start of work under this Contract that its Contractor Personnel are in compliance with the

requirements of this section. Contractor shall retain such proof of vaccination for the document retention period set forth in this Contract and must provide such records to the County for audit purposes, when required by County.

8.59.4 Contractor shall evaluate any medical or sincerely held religious exemption request of its Contractor Personnel, as required by law. If Contractor has determined that Contractor Personnel is exempt pursuant to a medical or sincerely held religious reason, the Contractor must also maintain records of the Contractor Personnel's testing results. The Contractor must provide such records to the County for audit purposes, when required by County. The unvaccinated exempt Contractor Personnel must meet the following requirements prior to (1) interacting in person with County workforce members, (2) working on County owned or controlled property while performing services under this Contract, and/or (3) coming into contact with the public while performing services under this Contract:

- a. Test for COVID-19 with either a polymerase chain reaction (PCR) or antigen test has an Emergency Use Authorization (EUA) by the FDA or is operating per the Laboratory Developed Test requirements by the U.S. Centers for Medicare and Medicaid Services. Testing must occur at least weekly, or more frequently as required by County or other applicable law, regulation or order.
- b. Wear a mask that is consistent with CDC recommendations at all times while on County controlled or owned property, and while engaging with members of the public and County workforce members.
- c. Engage in proper physical distancing, as determined by the applicable County department that the Contract is with.

8.59.5 In addition to complying with the requirements of this section, Contractor shall also comply with all other applicable local, departmental, State, and federal laws, regulations and requirements for COVID-19. A completed Exhibit G, COVID-19 Vaccination Certification of Compliance, Forms Required at the Time of Contract Execution, is a required part of any agreement with the County.

8.60 USE OF COUNTY SEAL AND/OR TTC LOGOS

The PAC/County claims right, title, and interest in and to certain intellectual property, including but not limited to, the current and former

County seals and TTC logos (hereafter collectively "County Seals"). Contractor shall not use or display the official County Seals on any of its letterhead or other communications with any businesses, or for any other reason without the written consent of the PAC/County.

8.61 LICENSES, PERMITS, REGISTRATIONS, AND PROFESSIONAL CERTIFICATIONS

The Contractor shall maintain all licenses, permits, registrations, and/or professional certifications required by law, applicable to its legal business structure, and necessary to perform services under the Contract. The Contractor shall ensure the same of all of its officers, employees, and agents who perform services under this Contract and shall maintain all such licenses, permits, registrations, and professional certifications throughout the Contract Term and any term extensions and/or option periods exercised by the County. The Contractor shall provide evidence of such to the County within five calendar days of written request.

9.0 UNIQUE TERMS AND CONDITIONS

9.1 CONTRACTOR BUSINESS REQUIREMENTS

The Contractor shall be qualified to do business in the State of California.

9.2 INFORMATION SECURITY AND PRIVACY REQUIREMENTS

Contractor shall comply with Exhibit K, Information Security and Privacy Requirements. The Information Security and Privacy Requirements applies to both Contractors and their Subcontractors.

Contractor shall be required to certify that they are in full compliance with the provisions of the Information Security and Privacy Requirements and shall maintain compliance during the term of this Contract. Failure to maintain compliance, or to timely cure defects, may be cause for Contract termination or initiation of debarment proceedings against the non-compliant Contractor ([Los Angeles County Code, Chapter 2.202](#)).

9.2.1 The Contractor shall supply each of its employees with appropriate, annual training regarding Information Security procedures, Risks, and Threats. The Contractor agrees that training at a minimum must include, but may not be limited to the following topics:

1. **Secure Authentication:** The importance of utilizing secure authentication, including proper management of authentication credentials (login name and password) and multi-factor authentication.

2. **Social Engineering Attacks:** Identifying different forms of social engineering including, but not limited to, phishing, phone scams, and impersonation calls.
3. **Handling of County Information:** The proper identification, storage, transfer, archiving, and destruction of County Information.
4. **Causes of Unintentional Information Exposure:** Provide awareness of causes of unintentional exposure of Information such as lost mobile devices, emailing Information to inappropriate recipients, etc.
5. **Identifying and Reporting Incidents:** Awareness of the most common indicators of an Incident and how such indicators should be reported within the organization.
6. **Privacy:** The Contractor's Privacy Policies and procedures as described in Exhibit K, Information Security and Privacy Requirements, Section 2b, Privacy Program.

9.2.2 The Contractor shall have an established set of procedures to ensure the Contractor's employees promptly report actual and/or suspected breaches of security.

9.3 OWNERSHIP OF MATERIALS, SOFTWARE AND COPYRIGHT

9.3.1 County shall be the sole owner of all right, title and interest, including copyright, in and to all software, plans, diagrams, facilities, and tools (hereafter materials) which are originated or created through the Contractor's work pursuant to this Contract. The Contractor, for valuable consideration herein provided, shall execute all documents necessary to assign and transfer to, and vest in the County all of the Contractor's right, title and interest in and to such original materials, including any copyright, patent and trade secret rights which arise pursuant to the Contractor's work under this Contract.

9.3.2 During the term of this Contract and for five years thereafter, the Contractor shall maintain and provide security for all of the Contractor's working papers prepared under this Contract. County shall have the right to inspect, copy and use at any time during and subsequent to the term of this Contract, any and all such working papers and all Information contained therein.

9.3.3 Any and all materials, software, and tools which are developed or were originally acquired by the Contractor outside the scope of this Contract, which the Contractor desires to use hereunder, and

which the Contractor considers to be proprietary or confidential, must be specifically identified by the Contractor to the PAC's Contract Manager as proprietary or confidential, and shall be plainly and prominently marked by the Contractor as "Proprietary" or "Confidential" on each appropriate page of any document containing such material.

9.3.4 The County will use reasonable means to ensure that the Contractor's proprietary and/or confidential items are safeguarded and held in confidence. Subject to the County's obligations under the California Public Records Act, the County agrees not to reproduce, distribute or disclose to non-County entities any such proprietary and/or confidential items without the prior written consent of the Contractor.

9.3.5 All the rights and obligations of Subparagraph 9.3, Ownership of Materials, Software and Copyright, of this Contract, shall survive the expiration or other termination of this Contract.

9.4 INTELLECTUAL PROPERTY

No program, process, composition, equipment, appliance, or device, or any trademark, service mark, logo, or any other work or invention of any nature or any other tangible or intangible assets whatsoever developed, provided or used by the Contractor in connection with its performance under this Contract, infringes on any patent, copyright, or trademark of any other person, or is a trade secret of any other person. The Contractor shall indemnify, and hold Plan harmless from all costs finally awarded by a court of competent jurisdiction and any judgment or settlement provided that no such settlement of any such claim shall be made without the Contractor's prior written consent arising out of any actual or alleged infringement of any patent, copyright, or trademark, or trade secret disclosure connected with the Contractor's performance under this Contract, provided that PAC promptly notifies the Contractor of any such claims, permits the Contractor to control the defense or settlement of such claims, and cooperates with all reasonable requests by the Contractor (at Contractor's expense) in defending such claims.

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IN WITNESS WHEREOF, the PAC and County have caused this Contract to be executed by the Chair of the PAC and the Contractor has caused this Contract to be executed by its duly authorized representative on the day, month and year first above written.

[CONTRACTOR COMPANY NAME]:

By _____

Name _____

Title _____

COUNTY OF LOS ANGELES
DEFERRED COMPENSATION AND THRIFT
PLAN ADMINISTRATIVE COMMITTEE

By _____
Chair, Plan Administrative Committee

APPROVED AS TO FORM:

DAWYN R. HARRISON
Acting County Counsel

By _____
RICHARD D. BLOOM
Principal Deputy County Counsel

STANDARD EXHIBITS

- A STATEMENT OF WORK (NOT ATTACHED TO SAMPLE)
- A1 STATEMENT OF WORK ATTACHMENTS (NOT ATTACHED TO SAMPLE)
- B PRICING SCHEDULE (NOT ATTACHED TO SAMPLE)
- C STATEMENT OF WORK AND CONTRACT EXHIBITS
(NOT ATTACHED TO SAMPLE)
- D CONTRACTOR'S EEO CERTIFICATION
- E PAC'S ADMINISTRATION
- F CONTRACTOR'S ADMINISTRATION
- G FORMS REQUIRED AT THE TIME OF CONTRACT EXECUTION
(COVID-19 Vaccination Certification of Compliance and Confidentiality Forms)
 - G COVID-19 VACCINATION CERTIFICATION OF COMPLIANCE
 - G1 CONTRACTOR ACKNOWLEDGMENT AND CONFIDENTIALITY
AGREEMENT
- H JURY SERVICE ORDINANCE (CONTRACTOR EMPLOYEE JURY SERVICE)
- I SAFELY SURRENDERED BABY LAW
- J DEFAULTED PROPERTY TAX REDUCTION PROGRAM
- K INFORMATION SECURITY AND PRIVACY REQUIREMENTS

STATEMENT OF WORK

NOT ATTACHED TO SAMPLE

STATEMENT OF WORK ATTACHMENTS

NOT ATTACHED TO SAMPLE

PRICING SCHEDULE

NOT ATTACHED TO SAMPLE

STATEMENT OF WORK AND CONTRACT EXHIBITS

NOT ATTACHED TO SAMPLE

CONTRACTOR'S EEO CERTIFICATION

Contractor Name

Address

Internal Revenue Service Employer Identification Number

GENERAL CERTIFICATION

In accordance with [Section 4.32.010 of the Code of the County of Los Angeles](#), the contractor, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, religion, ancestry, national origin, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

CONTRACTOR'S SPECIFIC CERTIFICATIONS

- | | | | |
|----|---|------------------------------|-----------------------------|
| 1. | The Contractor has a written policy statement prohibiting discrimination in all phases of employment. | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 2. | The Contractor periodically conducts a self-analysis or utilization analysis of its work force. | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 3. | The Contractor has a system for determining if its employment practices are discriminatory against protected groups. | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 4. | Where problem areas are identified in employment practices, the Contractor has a system for taking reasonable corrective action, to include establishment of goals or timetables. | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

Authorized Official's Printed Name and Title

Authorized Official's Signature

Date

PAC'S ADMINISTRATION

CONTRACT NO. _____

PAC'S CONTRACT ADMINISTRATOR:

Name: Daniel Wiles
Title: Assistant Treasurer and Tax Collector
Address: 500 West Temple Street, Room 432
Los Angeles, CA 90012
Telephone: (213) 974-7175
Facsimile: (213) 625-2249
Email Address: dwiles@ttc.lacounty.gov

PAC'S CONTRACT MANAGER:

Name: Teresa Wong Gee
Title: Chief Public Finance Officer
Address: 500 West Temple Street Room, 432
Los Angeles, CA 90012
Telephone: (213) 974-8359
Facsimile: (213) 625-2249
Email Address: tgee@ttc.lacounty.gov

PAC'S ADMINISTRATION

CHIEF INFORMATION SECURITY OFFICER:

Name: Jeffrey Aguilar
Title: Chief Information Security Officer
Address: 320 West Temple, 7th Floor
Los Angeles, CA 90012
Telephone: (213) 253-5600
Email Address: CISO-CPO_Notify@lacounty.gov

CHIEF PRIVACY OFFICER:

Name: Lillian Russell
Title: Chief Privacy Officer
Address: 320 West Temple, 7th Floor
Los Angeles, CA 90012
Telephone: (213) 351-5363
Email Address: CISO-CPO_Notify@lacounty.gov

COUNTY'S DEPARTMENTAL CHIEF INFORMATION OFFICER (DCIO):

Name: Matthew Der
Title: Departmental Chief Information Officer
Address: 500 West Temple Street, Room 409
Los Angeles, CA 90012
Telephone: (213) 866-5783
Facsimile: (213) 217-4974
Email Address: mders@ttc.lacounty.gov

COUNTY'S DEPARTMENTAL INFORMATION SECURITY OFFICER (DISO):

Name: Matthew Der
Title: Departmental Chief Information Officer
Address: 500 West Temple Street, Room 409
Los Angeles, CA 90012
Telephone: (213) 866-5783
Facsimile: (213) 217-4974
Email Address: mders@ttc.lacounty.gov

CONTRACTOR'S ADMINISTRATION

CONTRACTOR'S NAME: _____

CONTRACT NO: _____

CONTRACTOR'S CONTRACT ADMINISTRATOR:

Name: _____

Title: _____

Address: _____

Telephone: _____

Facsimile: _____

Email Address: _____

CONTRACTOR'S CONTRACT MANAGER:

Name: _____

Title: _____

Address: _____

Telephone: _____

Facsimile: _____

Email Address: _____

CONTRACTOR'S ALTERNATE CONTRACT MANAGER:

Name: _____

Title: _____

Address: _____

Telephone: _____

Facsimile: _____

Email Address: _____

CONTRACTOR'S ADMINISTRATION

CONTRACTOR'S AUTHORIZED OFFICIAL(S)

Name: _____

Title: _____

Address: _____

Telephone: _____

Facsimile: _____

Email Address: _____

Name: _____

Title: _____

Address: _____

Telephone: _____

Facsimile: _____

Email Address: _____

Notices to Contractor shall be sent to the following:

Name: _____

Title: _____

Address: _____

Telephone: _____

Facsimile: _____

Email Address: _____

FORMS REQUIRED AT THE TIME OF CONTRACT EXECUTION

Applicability of the forms below is based on the type of contract.

COVID-19 COMPLIANCE

COVID-19 Vaccination Certification of Compliance is applicable to Contracts where Contractor's employees 1) Interact in-person with County workforce; 2) Work onsite at County-owned, or controlled facilities/property while performing services under a Contract with the County; or 3) Come into contact with the public while performing in-person services under a Contract with the County.

G COVID-19 VACCINATION CERTIFICATION OF COMPLIANCE

G1 CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY
AGREEMENT

COVID-19 Vaccination Certification of Compliance
Urgency Ordinance, County Code Title 2 – Administration, Division 4 – Miscellaneous –
Chapter 2.212 (COVID-19 Vaccinations of County Contractor Personnel)

I, _____, on behalf of _____, (the
“Contractor”), certify that on County Contract _____ [ENTER
CONTRACT NUMBER AND NAME]:

_____ All Contractor Personnel* on this Contract are fully vaccinated as required by the
Ordinance.

_____ Most Contractor Personnel* on this Contract are fully vaccinated as required by the
Ordinance. The Contractor or its employer of record, has granted a valid medical or religious
exemption to the below identified Contractor Personnel. Contractor will certify weekly that the
following unvaccinated Contractor Personnel have tested negative within 72 hours of starting their
work week under the County Contract, unless the contracting County department requires
otherwise. The Contractor Personnel who have been granted a valid medical or religious
exemption are [LIST ALL CONTRACTOR PERSONNEL]:

*Contractor Personnel includes subcontractors.

I have authority to bind the Contractor, and have reviewed the requirements above and
further certify that I will comply with said requirements.

Signature

Date

Title

Company/Contractor Name

CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

CONTRACTOR NAME _____ Contract No. _____

GENERAL INFORMATION:

The Contractor referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires the Corporation to sign this Contractor Acknowledgement and Confidentiality Agreement.

CONTRACTOR ACKNOWLEDGEMENT:

Contractor understands and agrees that the Contractor employees, consultants, Outsourced Vendors and independent contractors (Contractor's Staff) that will provide services in the above referenced agreement are Contractor's sole responsibility. Contractor understands and agrees that Contractor's Staff must rely exclusively upon Contractor for payment of salary and any and all other benefits payable by virtue of Contractor's Staff's performance of work under the above-referenced contract.

Contractor understands and agrees that Contractor's Staff are not employees of the County of Los Angeles for any purpose whatsoever and that Contractor's Staff do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. Contractor understands and agrees that Contractor's Staff will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

CONFIDENTIALITY AGREEMENT:

Contractor and Contractor's Staff may be involved with work pertaining to services provided by the County of Los Angeles and, if so, Contractor and Contractor's Staff may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, Contractor and Contractor's Staff may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. Contractor and Contractor's Staff understand that if they are involved in County work, the County must ensure that Contractor and Contractor's Staff, will protect the confidentiality of such data and information. Consequently, Contractor must sign this Confidentiality Agreement as a condition of work to be provided by Contractor's Staff for the County.

Contractor and Contractor's Staff hereby agrees that they will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between Contractor and the County of Los Angeles. Contractor and Contractor's Staff agree to forward all requests for the release of any data or information received to County's Contract Manager.

Contractor and Contractor's Staff agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to Contractor and Contractor's Staff under the above-referenced contract. Contractor and Contractor's Staff agree to protect these confidential materials against disclosure to other than Contractor or County employees who have a need to know the information. Contractor and Contractor's Staff agree that if proprietary information supplied by other County vendors is provided to me during this employment, Contractor and Contractor's Staff shall keep such information confidential.

Contractor and Contractor's Staff agree to report any and all violations of this agreement by Contractor and Contractor's Staff and/or by any other person of whom Contractor and Contractor's Staff become aware.

Contractor and Contractor's Staff acknowledge that violation of this agreement may subject Contractor and Contractor's Staff to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: _____

DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

2.203.010 Findings.

The board of supervisors makes the following findings. The county of Los Angeles allows its permanent, full-time employees unlimited jury service at their regular pay. Unfortunately, many businesses do not offer or are reducing or even eliminating compensation to employees who serve on juries. This creates a potential financial hardship for employees who do not receive their pay when called to jury service, and those employees often seek to be excused from having to serve. Although changes in the court rules make it more difficult to excuse a potential juror on grounds of financial hardship, potential jurors continue to be excused on this basis, especially from longer trials. This reduces the number of potential jurors and increases the burden on those employers, such as the county of Los Angeles, who pay their permanent, full-time employees while on juror duty. For these reasons, the county of Los Angeles has determined that it is appropriate to require that the businesses with which the county contracts possess reasonable jury service policies. (Ord. 2002-0015 § 1 (part), 2002)

2.203.020 Definitions.

The following definitions shall be applicable to this chapter:

- A. “Contractor” means a person, partnership, corporation or other entity which has a contract with the county or a subcontract with a county contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more such contracts or subcontracts.
- B. “Employee” means any California resident who is a full-time employee of a contractor under the laws of California.
- C. “Contract” means any agreement to provide goods to, or perform services for or on behalf of, the county but does not include:
 - 1. A contract where the board finds that special circumstances exist that justify a waiver of the requirements of this chapter; or
 - 2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor; or
 - 3. A purchase made through a state or federal contract; or
 - 4. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, or reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-3700 or a successor provision; or
 - 5. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, Section 4.4.0 or a successor provision; or
 - 6. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-2810 or a successor provision; or

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

7. A non-agreement purchase with a value of less than \$5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section A-0300 or a successor provision; or
 8. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section PP-1100 or a successor provision.
- D. "Full time" means 40 hours or more worked per week, or a lesser number of hours if:
1. The lesser number is a recognized industry standard as determined by the chief administrative officer, or
 2. The contractor has a long-standing practice that defines the lesser number of hours as full time.
- E. "County" means the county of Los Angeles or any public entities for which the board of supervisors is the governing body. (Ord. 2002-0040 § 1, 2002: Ord. 2002-0015 § 1 (part), 2002)

2.203.030 Applicability.

This chapter shall apply to contractors who enter into contracts that commence after July 11, 2002. This chapter shall also apply to contractors with existing contracts which are extended into option years that commence after July 11, 2002. Contracts that commence after May 28, 2002, but before July 11, 2002, shall be subject to the provisions of this chapter only if the solicitations for such contracts stated that the chapter would be applicable. (Ord. 2002-0040 § 2, 2002: Ord. 2002-0015 § 1 (part), 2002)

2.203.040 Contractor Jury Service Policy.

A contractor shall have and adhere to a written policy that provides that its employees shall receive from the contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with the contractor or that the contractor deduct from the employees' regular pay the fees received for jury service. (Ord. 2002-0015 § 1 (part), 2002)

2.203.050 Other Provisions.

- A. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter and shall issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.
- B. Compliance Certification. At the time of seeking a contract, a contractor shall certify to the county that it has and adheres to a policy consistent with this chapter or will have and adhere to such a policy prior to award of the contract. (Ord. 2002-0015 § 1 (part), 2002)

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

2.203.060 Enforcement and Remedies.

For a contractor's violation of any provision of this chapter, the county department head responsible for administering the contract may do one or more of the following:

1. Recommend to the board of supervisors the termination of the contract; and/or,
2. Pursuant to chapter 2.202, seek the debarment of the contractor. (Ord. 2002-0015 § 1 (part), 2002)

2.203.070. Exceptions.

- A. Other Laws. This chapter shall not be interpreted or applied to any contractor or to any employee in a manner inconsistent with the laws of the United States or California.
- B. Collective Bargaining Agreements. This chapter shall be superseded by a collective bargaining agreement that expressly so provides.
- C. Small Business. This chapter shall not be applied to any contractor that meets all of the following:
 1. Has ten or fewer employees during the contract period; and,
 2. Has annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, are less than \$500,000; and,
 3. Is not an affiliate or subsidiary of a business dominant in its field of operation.

"Dominant in its field of operation" means having more than ten employees and annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, exceed \$500,000.

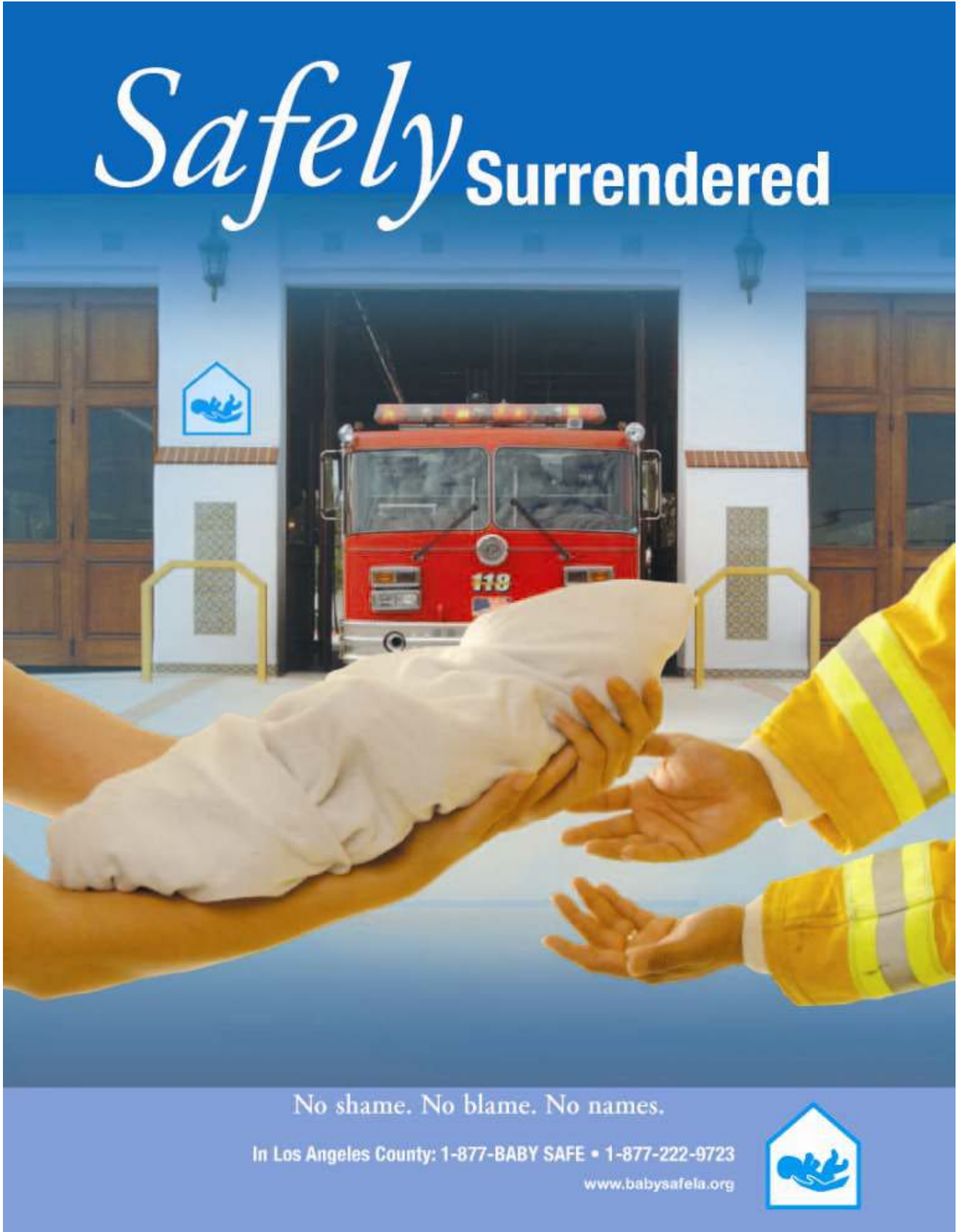
"Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation. (Ord. 2002-0015 § 1 (part), 2002)

2.203.090. Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. 2002-0015 § 1 (part), 2002)


SAFELY SURRENDERED BABY LAW

Safely Surrendered



No shame. No blame. No names.

In Los Angeles County: 1-877-BABY SAFE • 1-877-222-9723
www.babysafela.org



In Los Angeles County: 1-877-BABY SAFE • 1-877-222-9723

www.babysafela.org

Safely Surrendered Baby Law

What is the Safely Surrendered Baby Law?

California's Safely Surrendered Baby Law allows parents or other persons, with lawful custody, which means anyone to whom the parent has given permission to confidentially surrender a baby. As long as the baby is three days (72 hours) of age or younger and has not been abused or neglected, the baby may be surrendered without fear of arrest or prosecution.

Every baby deserves a chance for a healthy life. If someone you know is considering abandoning a baby, let her know there are other options. For three days (72 hours) after birth, a baby can be surrendered to staff at any hospital or fire station in Los Angeles County.

How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially, and safely surrender a baby within three days (72 hours) of birth. The baby must be handed to an employee at a hospital or fire station in Los Angeles County. As long as the baby shows no sign of abuse or neglect, no name or other information is required. In case the parent changes his or her mind at a later date and wants the baby back, staff will use bracelets to help connect them to each other. One bracelet will be placed on the baby, and a matching bracelet will be given to the parent or other surrendering adult.

What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their baby within 14 days. These parents should call the Los Angeles County Department of Children and Family Services at 1-800-540-4000.

Can only a parent bring in the baby?

No. While in most cases a parent will bring in the baby, the Law allows other people to bring in the baby if they have lawful custody.

Does the parent or surrendering adult have to call before bringing in the baby?

No. A parent or surrendering adult can bring in a baby anytime, 24 hours a day, 7 days a week, as long as the parent or surrendering adult surrenders the baby to someone who works at the hospital or fire station.

Does the parent or surrendering adult have to tell anything to the people taking the baby?

No. However, hospital or fire station personnel will ask the surrendering party to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the baby. The questionnaire includes a stamped return envelope and can be sent in at a later time.

What happens to the baby?

The baby will be examined and given medical treatment. Upon release from the hospital, social workers immediately place the baby in a safe and loving home and begin the adoption process.

What happens to the parent or surrendering adult?

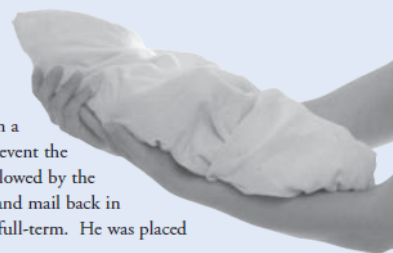
Once the parent or surrendering adult surrenders the baby to hospital or fire station personnel, they may leave at any time.

Why is California doing this?

The purpose of the Safely Surrendered Baby Law is to protect babies from being abandoned, hurt or killed by their parents. You may have heard tragic stories of babies left in dumpsters or public bathrooms. Their parents may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had no one or nowhere to turn for help, they abandoned their babies. Abandoning a baby is illegal and places the baby in extreme danger. Too often, it results in the baby's death. The Safely Surrendered Baby Law prevents this tragedy from ever happening again in California.

A baby's story

Early in the morning on April 9, 2005, a healthy baby boy was safely surrendered to nurses at Harbor-UCLA Medical Center. The woman who brought the baby to the hospital identified herself as the baby's aunt and stated the baby's mother had asked her to bring the baby to the hospital on her behalf. The aunt was given a bracelet with a number matching the anklet placed on the baby; this would provide some identification in the event the mother changed her mind about surrendering the baby and wished to reclaim the baby in the 14-day period allowed by the Law. The aunt was also provided with a medical questionnaire and said she would have the mother complete and mail back in the stamped return envelope provided. The baby was examined by medical staff and pronounced healthy and full-term. He was placed with a loving family that had been approved to adopt him by the Department of Children and Family Services.



Ley de Entrega de Bebés *Sin Peligro*



Los recién nacidos pueden ser entregados en forma segura al personal de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles

Sin pena. Sin culpa. Sin nombres.

En el Condado de Los Ángeles: 1-877-BABY SAFE • 1-877-222-9723

www.babysafela.org



En el Condado de Los Ángeles: 1-877-BABY SAFE • 1-877-222-9723

www.babysafela.org

Ley de Entrega de Bebés Sin Peligro

¿Qué es la Ley de Entrega de Bebés sin Peligro?

La Ley de Entrega de Bebés sin Peligro de California permite la entrega confidencial de un recién nacido por parte de sus padres u otras personas con custodia legal, es decir cualquier persona a quien los padres le hayan dado permiso. Siempre que el bebé tenga tres días (72 horas) de vida o menos, y no haya sufrido abuso ni negligencia, pueden entregar al recién nacido sin temor de ser arrestados o procesados.

Cada recién nacido se merece la oportunidad de tener una vida saludable. Si alguien que usted conoce está pensando en abandonar a un recién nacido, infórmele que tiene otras opciones. Hasta tres días (72 horas) después del nacimiento, se puede entregar un recién nacido al personal de cualquier hospital o cuartel de bomberos del condado de Los Angeles.

¿Cómo funciona?

El padre/madre con dificultades que no pueda o no quiera cuidar de su recién nacido puede entregarlo en forma legal, confidencial y segura dentro de los tres días (72 horas) del nacimiento. El bebé debe ser entregado a un empleado de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles. Siempre que el bebé no presente signos de abuso o negligencia, no será necesario suministrar nombres ni información alguna. Si el padre/madre cambia de opinión posteriormente y desea recuperar a su bebé, los trabajadores utilizarán brazaletes para poder vincularlos. El bebé llevará un brazaletes y el padre/madre o el adulto que lo entregue recibirá un brazaletes igual.

¿Qué pasa si el padre/madre desea recuperar a su bebé?

Los padres que cambien de opinión pueden comenzar el proceso de reclamar a su recién nacido dentro de los 14 días. Estos padres deberán llamar al Departamento de Servicios para Niños y Familias (Department of Children and Family Services) del Condado de Los Ángeles al 1-800-540-4000.

¿Sólo los padres podrán llevar al recién nacido?

No. Si bien en la mayoría de los casos son los padres los que llevan al bebé, la ley permite que otras personas lo hagan si tienen custodia legal.

¿Los padres o el adulto que entrega al bebé deben llamar antes de llevar al bebé?

No. El padre/madre o adulto puede llevar al bebé en cualquier momento, las 24 horas del día, los 7 días de la semana, siempre y cuando entreguen a su bebé a un empleado del hospital o cuartel de bomberos.

¿Es necesario que el padre/madre o adulto diga algo a las personas que reciben al bebé?

No. Sin embargo, el personal del hospital o cuartel de bomberos le pedirá a la persona que entregue al bebé que llene un cuestionario con la finalidad de recabar antecedentes médicos importantes, que resultan de gran utilidad para cuidar bien del bebé. El cuestionario incluye un sobre con el sello postal pagado para enviarlo en otro momento.

¿Qué pasará con el bebé?

El bebé será examinado y le brindarán atención médica. Cuando le den el alta del hospital, los trabajadores sociales inmediatamente ubicarán al bebé en un hogar seguro donde estará bien atendido, y se comenzará el proceso de adopción.

¿Qué pasará con el padre/madre o adulto que entregue al bebé?

Una vez que los padres o adulto hayan entregado al bebé al personal del hospital o cuartel de bomberos, pueden irse en cualquier momento.

¿Por qué se está haciendo esto en California? ?

La finalidad de la Ley de Entrega de Bebés sin Peligro es proteger a los bebés para que no sean abandonados, lastimados o muertos por sus padres. Usted probablemente haya escuchado historias trágicas sobre bebés abandonados en basureros o en baños públicos. Los padres de esos bebés probablemente hayan estado pasando por dificultades emocionales graves. Las madres pueden haber ocultado su embarazo, por temor a lo que pasaría si sus familias se enteraran. Abandonaron a sus bebés porque tenían miedo y no tenían nadie a quien pedir ayuda. El abandono de un recién nacido es ilegal y pone al bebé en una situación de peligro extremo. Muy a menudo el abandono provoca la muerte del bebé. La Ley de Entrega de Bebés sin Peligro impide que vuelva a suceder esta tragedia en California.

Historia de un bebé

A la mañana temprano del día 9 de abril de 2005, se entregó un recién nacido saludable a las enfermeras del Harbor-UCLA Medical Center. La mujer que llevó el recién nacido al hospital se dio a conocer como la tía del bebé, y dijo que la madre le había pedido que llevara al bebé al hospital en su nombre. Le entregaron a la tía un brazaletes con un número que coincidía con la pulsera del bebé; esto serviría como identificación en caso de que la madre cambiara de opinión con respecto a la entrega del bebé y decidiera recuperarlo dentro del período de 14 días que permite esta ley. También le dieron a la tía un cuestionario médico, y ella dijo que la madre lo llenaría y lo enviaría de vuelta dentro del sobre con franqueo pagado que le habían dado. El personal médico examinó al bebé y se determinó que estaba saludable y a término. El bebé fue ubicado con una buena familia que ya había sido aprobada para adoptarlo por el Departamento de Servicios para Niños y Familias.



Title 2 ADMINISTRATION
Chapter 2.206
DEFAULTED PROPERTY TAX REDUCTION PROGRAM

- 2.206.010 Findings and declarations.**
- 2.206.020 Definitions.**
- 2.206.030 Applicability.**
- 2.206.040 Required solicitation and contract language.**
- 2.206.050 Administration and compliance certification.**
- 2.206.060 Exclusions/Exemptions.**
- 2.206.070 Enforcement and remedies.**
- 2.206.080 Severability.**

2.206.010 Findings and declarations.

The Board of Supervisors finds that significant revenues are lost each year as a result of taxpayers who fail to pay their tax obligations on time. The delinquencies impose an economic burden upon the County and its taxpayers. Therefore, the Board of Supervisors establishes the goal of ensuring that individuals and businesses that benefit financially from contracts with the County fulfill their property tax obligation. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.020 Definitions.

The following definitions shall be applicable to this chapter:

- A. "Contractor" shall mean any person, firm, corporation, partnership, or combination thereof, which submits a bid or proposal or enters into a contract or agreement with the County.
- B. "County" shall mean the county of Los Angeles or any public entities for which the Board of Supervisors is the governing body.
- C. "County Property Taxes" shall mean any property tax obligation on the County's secured or unsecured roll; except for tax obligations on the secured roll with respect to property held by a Contractor in a trust or fiduciary capacity or otherwise not beneficially owned by the Contractor.
- D. "Department" shall mean the County department, entity, or organization responsible for the solicitation and/or administration of the contract.
- E. "Default" shall mean any property tax obligation on the secured roll that has been deemed defaulted by operation of law pursuant to [California Revenue and Taxation Code section 3436](#); or any property tax obligation on the unsecured roll that remains unpaid on the applicable delinquency date pursuant to [California Revenue and Taxation Code section 2922](#); except for any property tax obligation dispute pending before the Assessment Appeals Board.
- F. "Solicitation" shall mean the County's process to obtain bids or proposals for goods and services.

Title 2 ADMINISTRATION
Chapter 2.206
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G. "Treasurer-Tax Collector" shall mean the Treasurer and Tax Collector of the County of Los Angeles. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.030 Applicability.

This chapter shall apply to all solicitations issued 60 days after the effective date of the ordinance codified in this chapter. This chapter shall also apply to all new, renewed, extended, and/or amended contracts entered into 60 days after the effective date of the ordinance codified in this chapter. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.040 Required solicitation and contract language.

All solicitations and all new, renewed, extended, and/or amended contracts shall contain language which:

- A. Requires any Contractor to keep County Property Taxes out of Default status at all times during the term of an awarded contract;
- B. Provides that the failure of the Contractor to comply with the provisions in this chapter may prevent the Contractor from being awarded a new contract; and
- C. Provides that the failure of the Contractor to comply with the provisions in this chapter may constitute a material breach of an existing contract, and failure to cure the breach within 10 days of notice by the County by paying the outstanding County Property Tax or making payments in a manner agreed to and approved by the Treasurer-Tax Collector, may subject the contract to suspension and/or termination. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.050 Administration and compliance certification.

- A. The Treasurer-Tax Collector shall be responsible for the administration of this chapter. The Treasurer-Tax Collector shall, with the assistance of the Chief Executive Officer, Director of Internal Services, and County Counsel, issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other departments.
- B. Contractor shall be required to certify, at the time of submitting any bid or proposal to the County, or entering into any new contract, or renewal, extension or amendment of an existing contract with the County, that it is in compliance with this chapter is not in Default on any County Property Taxes or is current in payments due under any approved payment arrangement. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.060 Exclusions/Exemptions.

- A. This chapter shall not apply to the following contracts:

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1. Chief Executive Office delegated authority agreements under \$50,000;
 2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor;
 3. A purchase made through a state or federal contract;
 4. A contract where state or federal monies are used to fund service related programs, including but not limited to voucher programs, foster care, or other social programs that provide immediate direct assistance;
Purchase orders under a master agreement, where the Contractor was certified at the time the master agreement was entered into and at any subsequent renewal, extension and/or amendment to the master agreement;
 6. Purchase orders issued by Internal Services Department under \$100,000 that is not the result of a competitive bidding process;
 7. Program agreements that utilize Board of Supervisors' discretionary funds;
 8. National contracts established for the purchase of equipment and supplies for and by the National Association of Counties, U.S. Communities Government Purchasing Alliance, or any similar related group purchasing organization;
 9. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles Purchasing Policy and Procedures Manual, section P-3700 or a successor provision;
 10. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, section 4.6.0 or a successor provision;
 11. A purchase card pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section P-2810 or a successor provision;
 12. A non-agreement purchase worth a value of less than \$5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section A-0300 or a successor provision; or
 13. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual section P-0900 or a successor provision;
 14. Other contracts for mission critical goods and/or services where the Board of Supervisors determines that an exemption is justified.
- B. Other laws. This chapter shall not be interpreted or applied to any Contractor in a manner inconsistent with the laws of the United States or California. (Ord. No. 2009-0026 § 1 (part), 2009.)

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2.206.070 Enforcement and remedies.

- A. The information furnished by each Contractor certifying that it is in compliance with this chapter shall be under penalty of perjury.
- B. No Contractor shall willfully and knowingly make a false statement certifying compliance with this chapter for the purpose of obtaining or retaining a County contract.
- C. For Contractor's violation of any provision of this chapter, the County department head responsible for administering the contract may do one or more of the following:
 - 1. Recommend to the Board of Supervisors the termination of the contract; and/or,
 - 2. Pursuant to chapter 2.202, seek the debarment of the contractor; and/or,
 - 3. Recommend to the Board of Supervisors that an exemption is justified pursuant to [Section 2.206.060.A.14](#) of this chapter or payment deferral as provided pursuant to the California Revenue and Taxation Code. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.080 Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. No. 2009-0026 § 1 (part), 2009).

INFORMATION SECURITY AND PRIVACY REQUIREMENTS



INFORMATION SECURITY AND PRIVACY REQUIREMENTS EXHIBIT

The County of Los Angeles (“County”) is committed to safeguarding the Integrity of the County systems, Data, Information and protecting the privacy rights of the individuals that it serves. This Exhibit to the Statement of Work “Information Security, and Privacy Requirements Exhibit,” (“Exhibit 3”) sets forth in detail the County and the Contractor’s commitment and agreement to fulfill each of their obligations under applicable State or federal laws, rules, or regulations, as well as applicable industry standards concerning privacy, Data protections, Information Security, Confidentiality, Availability, and Integrity of such Information. The Contractor shall establish all Information Security, and Privacy Requirements within ten business days prior to the Effective Date of the Contract and maintain all Information Security and Privacy Requirements throughout the entire Contract term.

These requirements and procedures contained in this “Exhibit 3” are incorporated by reference into the Terms and Conditions of the Contract and constitute a minimum standard for Information Security and Privacy Requirements in conjunction with the requirements of the Contract between the County and Contractor (the “Contract”). It is the Contractor's sole obligation to: (i) implement appropriate and reasonable measures to secure and protect its systems and all County Information against internal and external Threats and Risks; and (ii) continuously review and revise all measures pertaining to any ongoing Threats and Risks. Failure to comply with the minimum Information Security and Privacy Requirements set forth in this “Exhibit 3” herein incorporated by reference into the Terms and Conditions of the Contract shall constitute a material, non-curable breach of Contract by the Contractor, entitling the County, in addition to the cumulative of all other remedies available to it at law, in equity, or under the Contract, to immediately terminate the Contract. The Terms and Conditions of the Contract shall govern and control unless stated otherwise in the Contract.

1. DEFINITIONS

Unless otherwise defined in the Contract, the definitions herein contained are specific to the uses within this exhibit.

- a. **Availability:** the condition of Information being accessible and usable upon demand by an authorized entity (Workforce Member or process).
- b. **Confidentiality:** the condition that Information is not disclosed to system entities (users, processes, devices) unless they have been authorized to access the Information.
- c. **County Information:** all Data and Information belonging to the County.
- d. **Data:** a subset of Information comprised of qualitative or quantitative values.
- e. **Incident:** a suspected, attempted, successful, or imminent Threat of unauthorized electronic and/or physical access, use, disclosure, breach, modification, or destruction of information; interference with Information Technology operations; or significant violation of County policy.
- f. **Information:** any communication or representation of knowledge or understanding such as facts, Data, or opinions in any medium or form, including electronic, textual, numerical, graphic, cartographic, narrative, or audiovisual.

- g. **Information Security Policy:** high level statements of intention and direction of an organization used to create an organization's Information Security Program as formally expressed by its top management.
- h. **Information Security Program:** formalized and implemented Information Security Policies, standards and procedures that are documented describing the program management safeguards and common controls in place or those planned for meeting the County's information security requirements.
- i. **Information Technology:** any equipment or interconnected system or subsystem of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of Data or Information.
- j. **Integrity:** the condition whereby Data or Information has not been improperly modified or destroyed and authenticity of the Data or Information can be ensured.
- k. **Mobile Device Management (MDM):** software that allows Information Technology administrators to control, secure, and enforce policies on smartphones, tablets, and other endpoints.
- l. **Privacy Policy:** high level statements of intention and direction of an organization used to create an organization's Privacy Program as formally expressed by its top management.
- m. **Privacy Program:** a formal document that provides an overview of an organization's privacy program, including a description of the structure of the privacy program, the resources dedicated to the privacy program, the role of the organization's privacy official and other staff, the strategic goals and objectives of the Privacy Program, and the program management controls and common controls in place or planned for meeting applicable privacy requirements and managing privacy risks.
- n. **Risk:** a measure of the extent to which the County is threatened by a potential circumstance or event, Risk is typically a function of: (i) the adverse impacts that would arise if the circumstance or event occurs; and (ii) the likelihood of occurrence.
- o. **Threat:** any circumstance or event with the potential to adversely impact County operations (including mission, functions, image, or reputation), organizational assets, individuals, or other organizations through an Information System via unauthorized access, destruction, disclosure, modification of Information, and/or denial of service.
- p. **Vulnerability:** a weakness in a system, application, network or process that is subject to exploitation or misuse.
- q. **Workforce Member:** employees, volunteers, and other persons whose conduct, in the performance of work for Los Angeles County, is under the direct control of Los Angeles County, whether or not they are paid by Los Angeles County. This includes, but may not be limited to, full and part time elected or appointed officials, employees, affiliates, associates, students, volunteers, and staff from third party entities who provide service to the County.

2. INFORMATION SECURITY AND PRIVACY PROGRAMS

- a. **Information Security Program.** The Contractor shall maintain a company-wide Information Security Program designed to evaluate Risks to the Confidentiality, Availability, and Integrity of the County Information covered under this Contract.

Contractor's Information Security Program shall include the creation and maintenance of Information Security Policies, standards, and procedures. Information Security Policies, standards, and procedures shall be communicated to all Contractor employees in a relevant, accessible, and understandable form and will be regularly reviewed and evaluated to ensure operational effectiveness, compliance with all applicable laws and regulations, and addresses new and emerging Threats and Risks.

The Contractor shall exercise the same degree of care in safeguarding and protecting County Information that the Contractor exercises with respect to its own Information and Data, but in no event less than a reasonable degree of care. The Contractor will implement, maintain, and use appropriate administrative, technical, and physical security measures to preserve the Confidentiality, Integrity, and Availability of County Information.

The Contractor's Information Security Program shall:

- Protect the Confidentiality, Integrity, and Availability of County Information in the Contractor's possession or control;
 - Protect against any anticipated Threats or hazards to the Confidentiality, Integrity, and Availability of County Information;
 - Protect against unauthorized or unlawful access, use, disclosure, alteration, or destruction of County Information;
 - Protect against accidental loss or destruction of, or damage to, County Information; and
 - Safeguard County Information in compliance with any applicable laws and regulations which apply to the Contractor.
- b. **Privacy Program.** The Contractor shall establish and maintain a company-wide Privacy Program designed to incorporate Privacy Policies and practices in its business operations to provide safeguards for Information, including County Information. The Contractor's Privacy Program shall include the development of, and ongoing reviews and updates to Privacy Policies, guidelines, procedures and appropriate workforce privacy training within its organization. These Privacy Policies, guidelines, procedures, and appropriate training shall be provided to all Contractor employees, agents, and volunteers. The Contractor's Privacy Policies, guidelines, and procedures shall be continuously reviewed and updated for effectiveness and compliance with applicable laws and regulations, and to appropriately respond to new and emerging Threats and Risks. The Contractor's Privacy Program shall perform ongoing monitoring and audits of operations to identify and mitigate privacy Threats.

The Contractor shall exercise the same degree of care in safeguarding the privacy of County Information that the Contractor exercises with respect to its own Information, but in no event less than a reasonable degree of care. The Contractor will implement, maintain, and use appropriate privacy practices and protocols to preserve the Confidentiality of County Information.

The Contractor's Privacy Program shall include:

- A Privacy Program framework that identifies and ensures that the Contractor complies with all applicable laws and regulations;
- External Privacy Policies, and internal privacy policies, procedures and controls to support the privacy program;

- Protections against unauthorized or unlawful access, use, disclosure, alteration, or destruction of County Information;
- A training program that covers Privacy Policies, protocols and awareness;
- A response plan to address privacy Incidents and privacy breaches; and
- Ongoing privacy assessments and audits.

3. PROPERTY RIGHTS TO COUNTY INFORMATION

All County Information is deemed property of the County, and the County shall retain exclusive rights and ownership thereto. County Information shall not be used by the Contractor for any purpose other than as required under this Contract, nor shall such or any part of such be disclosed, sold, assigned, leased, or otherwise disposed of, to third parties by the Contractor, or commercially exploited or otherwise used by, or on behalf of, the Contractor, its officers, directors, employees, or agents. The Contractor may assert no lien on or right to withhold from the County, any County Information it receives from, receives addressed to, or stores on behalf of, the County. Notwithstanding the foregoing, the Contractor may aggregate, compile, and use County Information in order to improve, develop or enhance the System Software and/or other services offered, or to be offered, by the Contractor, provided that (i) no County Information in such aggregated or compiled pool is identifiable as originating from, or can be traced back to the County, and (ii) such Data or Information cannot be associated or matched with the identity of an individual alone, or linkable to a specific individual. The Contractor specifically consents to the County's access to such County Information held, stored, or maintained on any and all devices Contactor owns, leases or possesses.

4. CONTRACTOR'S USE OF COUNTY INFORMATION

The Contractor may use County Information only as necessary to carry out its obligations under this Contract. The Contractor shall collect, maintain, or use County Information only for the purposes specified in the Contract and, in all cases, in compliance with all applicable local, state, and federal laws and regulations governing the collection, maintenance, transmission, dissemination, storage, use, and destruction of County Information, including, but not limited to, (i) any state and federal law governing the protection of personal Information, (ii) any state and federal security breach notification laws, and (iii) the rules, regulations and directives of the Federal Trade Commission, as amended from time to time.

5. SHARING COUNTY INFORMATION AND DATA

The Contractor shall not share, release, disclose, disseminate, make available, transfer, or otherwise communicate orally, in writing, or by electronic or other means, County Information to a third party for monetary or other valuable consideration.

6. CONFIDENTIALITY

- Confidentiality of County Information.** The Contractor agrees that all County Information is Confidential and proprietary to the County regardless of whether such Information was disclosed intentionally or unintentionally, or marked as "confidential."
- Disclosure of County Information.** The Contractor may disclose County Information only

as necessary to carry out its obligations under this Contract, or as required by law, and is prohibited from using County Information for any other purpose without the prior express written approval of the County's contract administrator in consultation with the County's Chief Information Security Officer and/or Chief Privacy Officer. If required by a court of competent jurisdiction or an administrative body to disclose County Information, the Contractor shall notify the County's contract administrator immediately and prior to any such disclosure, to provide the County an opportunity to oppose or otherwise respond to such disclosure, unless prohibited by law from doing so.

- c. **Disclosure Restrictions of Non-Public Information.** While performing work under the Contract, the Contractor may encounter County Non-public Information ("NPI") in the course of performing this Contract, including, but not limited to, licensed technology, drawings, schematics, manuals, sealed court records, and other materials described and/or identified as "Internal Use," "Confidential," or "Restricted" as defined in Board of Supervisors Policy 6.104 – Information Classification Policy as NPI. The Contractor shall not disclose or publish any County NPI and material received or used in performance of this Contract. This obligation is perpetual.
- d. **Individual Requests.** The Contractor shall acknowledge any request or instructions from the County regarding the exercise of any individual's privacy rights provided under applicable federal or state laws. The Contractor shall have in place appropriate policies and procedures to promptly respond to such requests and comply with any request or instructions from the County within seven calendar days. If an individual makes a request directly to the Contractor involving County Information, the Contractor shall notify the County within five calendar days and the County will coordinate an appropriate response, which may include instructing the Contractor to assist in fulfilling the request. Similarly, if the Contractor receives a privacy or security complaint from an individual regarding County Information, the Contractor shall notify the County as described in Section 13 SECURITY AND PRIVACY INCIDENTS, and the County will coordinate an appropriate response.
- e. **Retention of County Information.** The Contractor shall not retain any County Information for any period longer than necessary for the Contractor to fulfill its obligations under the Contract and applicable law, whichever is longest.

7. SUBCONTRACTORS AND THIRD PARTIES

The County acknowledges that in the course of performing its services, the Contractor may desire or require the use of goods, services, and/or assistance of Subcontractors or other third parties or suppliers. The terms of this Exhibit shall also apply to all Subcontractors and third parties. The Contractor or third party shall be subject to the following terms and conditions: (i) each Subcontractor and third party must agree in writing to comply with and be bound by the applicable terms and conditions of this Exhibit within ten business days upon receiving TTC's written approval and prior to performing any work under the Contract, both for itself and to enable the Contractor to be and remain in compliance with its obligations hereunder, including those provisions relating to Confidentiality, Integrity, Availability, disclosures, security, and such other terms and conditions as may be reasonably necessary to effectuate the Contract including this Exhibit; and (ii) the Contractor shall be and remain fully liable for the acts and omissions of each Subcontractor and third party, and fully responsible for the due and proper performance of all Contractor obligations under this Contract.

The Contractor shall obtain advanced approval from the Treasurer and Tax Collector in conjunction with the approval of County's Chief Information Security Officer and/or Chief Privacy Officer prior to subcontracting services subject to this Exhibit.

8. STORAGE AND TRANSMISSION OF COUNTY INFORMATION

All County Information shall be rendered unusable, unreadable, or indecipherable to unauthorized individuals. Without limiting the generality of the foregoing, the Contractor will encrypt all workstations, portable devices (such as mobile, wearables, tablets,) and removable media (such as portable or removable hard disks, floppy disks, USB memory drives, CDs, DVDs, magnetic tape, and all other removable storage media) that store County Information in accordance with Federal Information Processing Standard (FIPS) 140-2 or otherwise approved by the County's Chief Information Security Officer.

The Contractor will encrypt County Information transmitted on networks outside of the Contractor's control with Transport Layer Security (TLS) or Internet Protocol Security (IPSec), at a minimum cipher strength of 128 bit or an equivalent secure transmission protocol or method approved by County's Chief Information Security Officer.

In addition, the Contractor shall not store County Information in the cloud or in any other online storage provider without written authorization from the County's Chief Information Security Officer. All mobile devices storing County Information shall be managed by a Mobile Device Management system. Such system must provide provisions to enforce a password/passcode on enrolled mobile devices. All workstations/Personal Computers (including laptops, 2-in-1s, and tablets) will maintain the latest operating system security patches, and the latest virus definitions. Virus scans must be performed at least monthly. Request for less frequent scanning must be approved in writing by the County's Chief Information Security Officer.

9. RETURN OR DESTRUCTION OF COUNTY INFORMATION

The Contractor shall return or destroy County Information in the manner prescribed in this section unless the Contract prescribes procedures for returning or destroying County Information and those procedures are no less stringent than the procedures described in this section.

- a. **Return or Destruction.** Upon County's written request, or upon expiration or termination of this Contract for any reason, Contractor shall (i) promptly return or destroy, at the County's option, all originals and copies of all documents and materials it has received containing County Information; or (ii) if return or destruction is not permissible under applicable law, continue to protect such Information in accordance with the terms of this Contract; and (iii) deliver or destroy, at the County's option, all originals and copies of all summaries, records, descriptions, modifications, negatives, drawings, adoptions and other documents or materials, whether in writing or in machine-readable form, prepared by the Contractor, prepared under its direction, or at its request, from the documents and materials referred to in Subsection (i) of this Section. For all documents or materials referred to in Subsections (i) and (ii) of this Section that the County requests be returned to the County, the Contractor shall provide a written attestation on company letterhead certifying that all documents and materials have been delivered to the County. For documents or materials referred to in Subsections (i) and (ii) of this Section that the County requests be destroyed, the Contractor shall provide an attestation on company letterhead and certified documentation from a media destruction firm consistent with subdivision b of this Section.

Upon termination or expiration of the Contract or at any time upon the County's request, the Contractor shall return all hardware, if any, provided by the County to the Contractor. The hardware should be physically sealed and returned via a bonded courier, or as otherwise directed by the County.

- b. **Method of Destruction.** The Contractor shall destroy all originals and copies by (i) cross-cut shredding paper, film, or other hard copy media so that the Information cannot be read or otherwise reconstructed; and (ii) purging, or destroying electronic media containing County Information consistent with NIST Special Publication 800-88, "Guidelines for Media Sanitization," such that the County Information cannot be retrieved. The Contractor will provide an attestation on company letterhead and certified documentation from a media destruction firm, detailing the destruction method used and the County Information involved, the date of destruction, and the company or individual who performed the destruction. Such statement will be sent to the designated County contract manager within ten days of termination or expiration of the Contract or at any time upon the County's request. On termination or expiration of this Contract, the County will return or destroy all Contractor's Information marked as confidential (excluding items licensed to the County hereunder, or that provided to the County by the Contractor hereunder), at the County's option.

10. PHYSICAL AND ENVIRONMENTAL SECURITY

All Contractor facilities that process County Information will be located in secure areas and protected by perimeter security such as barrier access controls (e.g., the use of guards and entry badges) that provide a physically secure environment from unauthorized access, damage, and interference.

All Contractor facilities that process County Information will be maintained with physical and environmental controls (temperature and humidity) that meet or exceed hardware manufacturer's specifications.

11. OPERATIONAL MANAGEMENT, BUSINESS CONTINUITY, AND DISASTER RECOVERY

The Contractor shall: (i) monitor and manage all of its Information processing facilities, including, without limitation, implementing operational procedures, change management, and Incident response procedures consistent with Section 13 SECURITY AND PRIVACY INCIDENTS; and (ii) deploy adequate anti-malware software and adequate back-up systems to ensure essential business Information can be promptly recovered in the event of a disaster or media failure; and (iii) ensure its operating procedures are adequately documented and designed to protect Information and computer media from theft and unauthorized access.

The Contractor must have business continuity and disaster recovery plans. These plans must include a geographically separate back-up data center and a formal framework by which an unplanned event will be managed to minimize the loss of County Information and services. The formal framework includes a defined back-up policy and associated procedures, including documented policies and procedures designed to: (i) perform back-up of data to a remote back-up data center in a scheduled and timely manner; (ii) provide effective controls to safeguard backed-up data; (iii) securely transfer County Information to and from back-up location; (iv) fully restore applications and operating systems; and (v) demonstrate periodic testing of restoration from back-up location. If the Contractor makes back-ups to removable media (as described in Section 8 STORAGE AND TRANSMISSION OF COUNTY

INFORMATION), all such back-ups shall be encrypted in compliance with the encryption requirements noted above in Section 8 STORAGE AND TRANSMISSION OF COUNTY INFORMATION.

12. ACCESS CONTROL

Subject to and without limiting the requirements under Section 8 STORAGE AND TRANSMISSION OF COUNTY INFORMATION, County Information (i) may only be made available and accessible to those parties explicitly authorized under the Contract or otherwise expressly approved by the County Contract Administrator or Contract Manager in writing; and (ii) if transferred using removable media (as described in Section 8 STORAGE AND TRANSMISSION OF COUNTY INFORMATION), must be sent via a bonded courier and protected using encryption technology designated by the Contractor and approved by the County's Chief Information Security Officer in writing. The foregoing requirements shall apply to back-up media stored by the Contractor at off-site facilities.

The Contractor shall implement formal procedures to control access to County systems, services, and/or Information, including, but not limited to, user account management procedures and the following controls:

- a. Network access to both internal and external networked services shall be controlled, including, but not limited to, the use of industry standard and properly configured firewalls;
- b. Operating systems will be used to enforce access controls to computer resources including, but not limited to, multi-factor authentication, use of virtual private networks (VPN), authorization, and event logging;
- c. The Contractor will conduct regular, no less often than semi-annually, user access reviews to ensure that unnecessary and/or unused access to County Information is removed in a timely manner;
- d. Applications will include access control to limit user access to County Information and application system functions;
- e. All systems will be monitored to detect deviation from access control policies and identify suspicious activity. The Contractor shall record, review and act upon all events in accordance with Incident response policies set forth in Section 13 SECURITY AND PRIVACY INCIDENTS; and
- f. In the event any hardware, storage media, or removable media (as described in Section 8 STORAGE AND TRANSMISSION OF COUNTY INFORMATION) must be disposed of or sent off-site for servicing, the Contractor shall ensure all County Information has been eradicated from such hardware and/or media using industry best practices as discussed in Section 8 STORAGE AND TRANSMISSION OF COUNTY INFORMATION.

13. SECURITY AND PRIVACY INCIDENTS

In the event of a Security or Privacy Incident, the Contractor shall:

- a. Promptly notify the County's Chief Information Security Officer, the Departmental Information Security Officer, and the County's Chief Privacy Officer of any Incidents involving County Information, within 24 hours of detection of the Incident. All notifications shall be submitted via encrypted email and telephone to the individuals listed on Exhibit E, County's Administration.

- b. Include the following Information in all notices:
 - i. The date and time of discovery of the Incident,
 - ii. The approximate date and time of the Incident,
 - iii. A description of the type of County Information involved in the reported Incident, and
 - iv. A summary of the relevant facts, including a description of measures being taken to respond to and remediate the Incident, and any planned corrective actions as they are identified.
 - v. The name and contact information for the organizations official representative(s), with relevant business and technical information relating to the incident.
- c. Cooperate with the County to investigate the Incident and seek to identify the specific County Information involved in the Incident upon the County's written request, without charge, unless the Incident was caused by the acts or omissions of the County. As Information about the Incident is collected or otherwise becomes available to the Contractor, and unless prohibited by law, the Contractor shall provide Information regarding the nature and consequences of the Incident that are reasonably requested by the County to allow the County to notify affected individuals, government agencies, and/or credit bureaus.
- d. Immediately initiate the appropriate portions of their Business Continuity and/or Disaster Recovery plans in the event of an Incident causing an interference with Information Technology operations.
- e. Assist and cooperate with forensic investigators, the County, law firms, and/or law enforcement agencies at the direction of the County to help determine the nature, extent, and source of any Incident, and reasonably assist and cooperate with the County on any additional disclosures that the County is required to make as a result of the Incident.
- f. Allow the County or its third-party designee at the County's election to perform audits and tests of the Contractor's environment that may include, but are not limited to, interviews of relevant employees, review of documentation, or technical inspection of systems, as they relate to the receipt, maintenance, use, retention, and authorized destruction of County Information.

Notwithstanding any other provisions in this Contract and Exhibit, the Contractor shall be (i) liable for all damages and fines, (ii) responsible for all corrective action, and (iii) responsible for all notifications arising from an Incident involving County Information caused by the Contractor's weaknesses, negligence, errors, or lack of Information Security or privacy controls or provisions.

14. NON-EXCLUSIVE EQUITABLE REMEDY

The Contractor acknowledges and agrees that due to the unique nature of County Information there can be no adequate remedy at law for any breach of its obligations hereunder, that any such breach may result in irreparable harm to the County, and therefore, that upon any such breach, the County will be entitled to appropriate equitable remedies, and may seek injunctive relief from a court of competent jurisdiction without the necessity of proving actual loss, in addition to whatever remedies are available within law or equity. Any breach of Section 6 CONFIDENTIALITY shall constitute a material breach of this Contract and be grounds for immediate termination of this Contract in the exclusive discretion of the County.

15. AUDIT AND INSPECTION

- a. **Self-Audits.** The Contractor shall periodically conduct audits, assessments, testing of the system of controls, and testing of Information Security and privacy procedures, including penetration testing, intrusion detection, and firewall configuration reviews. These periodic audits will be conducted by staff certified to perform the specific audit in question at Contractor's sole cost and expense through either (i) an internal independent audit function, (ii) a nationally recognized, external, independent auditor, or (iii) another independent auditor approved by the County.

The Contractor shall have a process for correcting control deficiencies that have been identified in the periodic audit, including follow-up documentation providing evidence of such corrections. The Contractor shall provide the audit results and any corrective action documentation to the County promptly upon its completion at the County's request. With respect to any other report, certification, or audit or test results prepared or received by the Contractor that contains any County Information, the Contractor shall promptly provide the County with copies of the same upon the County's reasonable request, including identification of any failure or exception in the Contractor's Information systems, products, and services, and the corresponding steps taken by the Contractor to mitigate such failure or exception. Any reports and related materials provided to the County pursuant to this Section shall be provided at no additional charge to the County.

- b. **County Requested Audits.** At its own expense, the County, or an independent third-party auditor commissioned by the County, shall have the right to audit the Contractor's infrastructure, security and privacy practices, Data center, services and/or systems storing or processing County Information via an onsite inspection at least once a year. Upon the County's request, the Contractor shall complete a questionnaire regarding Contractor's Information Security and/or program. The County shall pay for the County requested audit unless the auditor finds that the Contractor has materially breached this Exhibit, in which case the Contractor shall bear all costs of the audit; and if the audit reveals material non-compliance with this Exhibit, the County may exercise its termination rights underneath the Contract.

Such audit shall be conducted during the Contractor's normal business hours with reasonable advance notice, in a manner that does not materially disrupt or otherwise unreasonably and adversely affect the Contractor's normal business operations. The County's request for the audit will specify the scope and areas (e.g., Administrative, Physical, and Technical) that are subject to the audit and may include, but are not limited to physical controls inspection, process reviews, policy reviews, evidence of external and internal Vulnerability scans, penetration test results, evidence of code reviews, and evidence of system configuration and audit log reviews. It is understood that the results may be filtered to remove the specific Information of other Contractor customers such as IP address, server names, etc. The Contractor shall cooperate with the County in the development of the scope and methodology for the audit, and the timing and implementation of the audit. This right of access shall extend to any regulators with oversight of the County. The Contractor agrees to comply with all reasonable recommendations that result from such inspections, tests, and audits within reasonable timeframes.

When not prohibited by regulation, the Contractor will provide to the County a summary of: (i) the results of any security audits, security reviews, or other relevant audits, conducted by the Contractor or a third party; and (ii) corrective actions or modifications, if any, the Contractor will implement in response to such audits.

APPENDIX D

REQUIRED FORMS

FOR

STABLE FUND CONSULTING SERVICES

REQUEST FOR PROPOSALS (RFP)

EXHIBITS

BUSINESS FORMS

- 1 Proposer's Organization Questionnaire/Affidavit
- 1A Community Business Enterprise (CBE) Information
- 1B Project Staff Background
- 2 Prospective Contractor References
- 3 Prospective Contractor List of Contracts
- 4 Prospective Contractor List of Terminated Contracts
- 5 Certification of No Conflict of Interest
- 6 Familiarity with the County Lobbyist Ordinance Certification
- 7 Intentionally Omitted
- 8 Proposer's EEO Certification
- 9 Attestation of Willingness to Consider GAIN/GROW Participants
- 10 County of Los Angeles Contractor Employee Jury Service Program Certification Form and Application for Exception

COST FORMS

- 11 Pricing Schedule
- 12 Certification of Independent Price Determination and Acknowledgement of RFP Restrictions

CERTIFICATIONS

- 13 Certification of Compliance with the County's Defaulted Property Tax Reduction Program
- 14 Zero Tolerance Policy on Human Trafficking Certification
- 15 Compliance with Fair Chance Employment Hiring Practices Certification

REQUIRED FORMS - EXHIBIT 1
PROPOSER'S ORGANIZATION QUESTIONNAIRE/AFFIDAVIT

Please complete, sign and date this form. The person signing the form must be authorized to sign on behalf of the Proposer and to bind the applicant in a Contract.

1. Is your firm a corporation or limited liability company (LLC)? **Yes** **No**
If yes, complete:
Legal Name (found in Articles of Incorporation) _____
State _____ Year Inc. _____

2. If your firm is a limited partnership or a sole proprietorship, state the name of the proprietor or managing partner:

3. Is your firm doing business under one or more DBA's? **Yes** **No**
If yes, complete:

Name	County of Registration	Year became DBA
_____	_____	_____
_____	_____	_____

4. Is your firm wholly/majority owned by, or a subsidiary of another firm? **Yes** **No**
If yes, complete:
Name of parent firm: _____
State of incorporation or registration of parent firm: _____

5. Has your firm done business as other names within last five (5) years? **Yes** **No**
If yes, complete:
Name _____ Year of Name Change _____
Name _____ Year of Name Change _____

6. Is your firm involved in any pending acquisition or mergers, including the associated company name?
 Yes **No** If yes, provide information:

REQUIRED FORMS - EXHIBIT 1**PROPOSER'S ORGANIZATION QUESTIONNAIRE/AFFIDAVIT**

Proposer acknowledges and certifies that firm meets and will comply with the Proposer's Minimum Mandatory Qualifications as stated in Paragraph 3.0, of this Request for Proposals, as listed below.

Check the appropriate boxes:

<input type="checkbox"/> Yes <input type="checkbox"/> No	<p>Proposer must (a) have been in stable value consulting business for a minimum of ten years and (b) have at least five years documented experience in providing consulting services for customized stable value funds in excess of \$1 billion for defined contribution (DC) plans. Proposer must acknowledge it has knowledge of applicable laws and regulations to effectively provide services as identified in Appendix A, SOW, of this RFP.</p>
<input type="checkbox"/> Yes <input type="checkbox"/> No	<p>Proposer must identify a Contract Administrator, Contract Manager, and Alternate Contract Manager with five years of documented experience providing the required services or services similar to those identified in Appendix A, SOW, of this RFP, either with the Proposer or with another firm prior to employment with the Proposer. Proposer must provide supporting documentation with the Proposal Submission under Proposer's Background and Experience (Section B.1).</p>
<input type="checkbox"/> Yes <input type="checkbox"/> No	<p>Proposer must acknowledge that it is a fiduciary with respect to the Plans and agree to discharge its duties and exercise its powers in accordance with the Standard of Care.</p>
<input type="checkbox"/> Yes <input type="checkbox"/> No	<p>To avoid disqualification for reasons that relate to the violation of the investment adviser of the Securities and Exchange Commission Rules 204-2 and 206(4)-3 and 206(4)-5 under the Investment Advisers Act of 1940, commonly referred to as the "pay-to-play rules" and referred to in this RFP as "SEC Rules," Proposer must certify that it has developed a policy to address the SEC Rules and established internal procedures to monitor compliance with the SEC Rules and the Proposer's policy and agree to certain reporting and enforcement provisions related thereto. Proposer must provide the firm's most current Code of Ethics and Standards of Professional Conduct and form ADV Part II. Proposer must provide a confirming statement that it is qualified and capable of serving as an ERISA 3(21) fiduciary investment advisor and it will assume this fiduciary responsibility to the Plans if selected. The Proposer must provide supporting documentation demonstrating that it has the capability to meet this requirement.</p>
<input type="checkbox"/> Yes <input type="checkbox"/> No	<p>Proposer must be qualified to do business in the State of California and certify that it is located within the United States of America and has the ability to provide the required services as detailed in Appendix A, SOW. The Proposer must provide the address of its business office in its proposal.</p>
<input type="checkbox"/> Yes <input type="checkbox"/> No	<p>If the Proposer's compliance with a County Contract has been reviewed by the County's Department of the Auditor-Controller (Auditor-Controller) within the last ten years, the Proposer must not have unresolved questioned costs identified by the Auditor-Controller, in an amount over \$100,000, that are confirmed to be disallowed costs by the contracting County department, and remain unpaid for six months or more from the date of disallowance, unless such disallowed costs are the subject of current good faith negotiations to resolve the disallowed costs, in the opinion of the County.</p>

REQUIRED FORMS - EXHIBIT 1
PROPOSER'S ORGANIZATION QUESTIONNAIRE/AFFIDAVIT

Proposer further acknowledges that if any false, misleading, incomplete, or deceptively unresponsive statements in connection with this proposal are made, the proposal may be rejected. The evaluation and determination in this area shall be at the Treasurer and Tax Collector's sole judgment and his/her judgment shall be final.

DECLARATION: I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE ABOVE INFORMATION IS TRUE AND ACCURATE.

PROPOSER NAME:		COUNTY WEBVEN NUMBER:
ADDRESS:		
PHONE NUMBER:	E-MAIL:	
INTERNAL REVENUE SERVICE EMPLOYER IDENTIFICATION NUMBER:	CALIFORNIA BUSINESS LICENSE NUMBER:	
PROPOSER OFFICIAL NAME AND TITLE (PRINT):		
SIGNATURE		DATE

REQUIRED FORMS – EXHIBIT 1A

COMMUNITY BUSINESS ENTERPRISE (CBE) INFORMATION

TITLE	REFERENCE				
1 FIRM/ORGANIZATION INFORMATION	The information requested below is for statistical purposes only. On final analysis and consideration of award, contractor/vendor will be selected without regard to race/ethnicity, color, religion, sex, national origin, age, sexual orientation, or disability.				
Total Number of Employees in California:					
Total Number of Employees (including owners):					
Race/Ethnic Composition of Firm. Enter the make-up of Owners/Partners/Associate Partners into the following categories:					
Race/Ethnic Composition	Owners/Partners/ Associate Partners	Percentage of how ownership of the firm is distributed			
	Male Female	Male	Female		
Black/African American		%	%		
Hispanic/Latino		%	%		
Asian or Pacific Islander		%	%		
American Indian		%	%		
Filipino		%	%		
White		%	%		
2 CERTIFICATION AS MINORITY, WOMEN, DISADVANTAGED, DISABLED VETERAN, AND LESBIAN, GAY, BISEXUAL, TRANSGENDER, QUEER, AND QUESTIONING-OWNED (LGBTQQ) BUSINESS ENTERPRISE	If the firm is currently certified as a Community Based Enterprise (CBE) by a public agency, complete the table by entering the names of the certifying Agency and placing an "X" under the appropriate CBE designation (Minority, Women, Disadvantaged, Disabled Veteran or LGBTQ). Enter all the CBE certifications held by the firm.				
Agency Name	Minority	Women	Disadvantaged	Disabled Veteran	LGBTQQ

REQUIRED FORMS – EXHIBIT 1B

PROJECT STAFF BACKGROUND

(Complete and attach staff resume)

NAME OF PROPOSER _____

1. Individual's Name: _____

2. Position/Title with Proposer: _____

3. Current Employment Status with Proposer:

Full Time Part Time Contract Permanent Temporary

Other (Specify): _____

4. Length of Service with Proposer: Year(s) Month(s) Start Date: _____

5. Individual's proposed position on this project:

Contract Administrator Contract Manager Alternate Contract Manager

Other (Specify): _____

6. Percent (%) of time to be allocated to the proposed project: _____

7. Worksite where individual will be located during the term of the proposed project: _____

8. Name and Title of person who this individual will report to: _____

9. How many projects for similar services to those requested in this RFP has this individual managed: _____

10. How much experience does this individual have with projects and services similar to those requested in this RFP: Year(s) Month(s) _____

Describe: _____

REQUIRED FORMS - EXHIBIT 2

PROSPECTIVE CONTRACTOR REFERENCES

Contractor's Name: _____

List three references **only** where the same or similar scope of services were provided in order to meet the Minimum Requirements stated in this solicitation. It is the Proposer's sole responsibility to ensure the accuracy of each firm's name, point of contact's name, and contact information.

1. Name of Agency	Address of Agency	Contact Person	Telephone #	Email
Name or Contract No.	# of Years/Term of Contract	Type of Service		Dollar Amount
2. Name of Agency	Address of Agency	Contact Person	Telephone #	Email
Name or Contract No.	# of Years/Term of Contract	Type of Service		Dollar Amount
3. Name of Agency	Address of Agency	Contact Person	Telephone #	Email
Name or Contract No.	# of Years/Term of Contract	Type of Service		Dollar Amount

PROPOSER SHALL NOT PROVIDE MORE THAN THREE REFERENCES. PURSUANT TO SUBPARAGRAPH 8.4.1, PROPOSER'S QUALIFICATIONS, THE COUNTY WILL EVALUATE THE FIRST THREE REFERENCES ONLY.

REQUIRED FORMS - EXHIBIT 3

PROSPECTIVE CONTRACTOR LIST OF CONTRACTS

Contractor's Name: _____

List of all public entities for which the Contractor has provided service within the last three years. Use additional sheets if necessary.

1. Name of Firm	Address of Firm	Contact Person	Telephone #	Email
Name or Contract No.	# of Years/Term of Contract	Type of Service	Dollar Amount	
2. Name of Firm	Address of Firm	Contact Person	Telephone #	Email
Name or Contract No.	# of Years/Term of Contract	Type of Service	Dollar Amount	
3. Name of Firm	Address of Firm	Contact Person	Telephone #	Email
Name or Contract No.	# of Years/Term of Contract	Type of Service	Dollar Amount	
4. Name of Firm	Address of Firm	Contact Person	Telephone #	Email
Name or Contract No.	# of Years/Term of Contract	Type of Service	Dollar Amount	

REQUIRED FORMS - EXHIBIT 4

PROSPECTIVE CONTRACTOR LIST OF TERMINATED CONTRACTS

Contractor's Name: _____

List of all contracts that have been terminated within the past three years.

1. Name of Firm	Address of Firm	Contact Person	Telephone # ()	Email
Name or Contract No.		Reason for Termination:		
2. Name of Firm	Address of Firm	Contact Person	Telephone # ()	Email
Name or Contract No.		Reason for Termination:		
3. Name of Firm	Address of Firm	Contact Person	Telephone # ()	Email
Name or Contract No.		Reason for Termination:		
4. Name of Firm	Address of Firm	Contact Person	Telephone # ()	Email
Name or Contract No.		Reason for Termination:		

REQUIRED FORMS - EXHIBIT 5

CERTIFICATION OF NO CONFLICT OF INTEREST

The [Los Angeles County Code, Section 2.180.010](#), provides as follows:

CONTRACTS PROHIBITED

Notwithstanding any other section of this Code, the County shall not contract with, and shall reject any proposals submitted by, the persons or entities specified below, unless the Board of Supervisors finds that special circumstances exist which justify the approval of such contract:

1. Employees of the County or of public agencies for which the Board of Supervisors is the governing body;
2. Profit-making firms or businesses in which employees described in number 1 serve as officers, principals, partners, or major shareholders;
3. Persons who, within the immediately preceding 12 months, came within the provisions of number 1, and who:
 - a. Were employed in positions of substantial responsibility in the area of service to be performed by the contract; or
 - b. Participated in any way in developing the contract or its service specifications; and
4. Profit-making firms or businesses in which the former employees, described in number 3, serve as officers, principals, partners, or major shareholders.

Contracts submitted to the Board of Supervisors for approval or ratification shall be accompanied by an assurance by the submitting department, district or agency that the provisions of this section have not been violated.

Proposer Name

Proposer Official Title

Official's Signature

REQUIRED FORMS - EXHIBIT 6

**FAMILIARITY WITH THE COUNTY
LOBBYIST ORDINANCE CERTIFICATION**

The Proposer certifies that:

- 1) it is familiar with the terms of the County of Los Angeles Lobbyist Ordinance, [Los Angeles Code Chapter 2.160](#);
- 2) that all persons acting on behalf of the Proposer organization have and will comply with it during the proposal process; and
- 3) it is not on the County's Executive Office's List of Terminated Registered Lobbyists.

Signature: _____ Date: _____

REQUIRED FORMS - EXHIBIT 7

INTENTIONALLY OMITTED

REQUIRED FORMS - EXHIBIT 8
PROPOSER'S EEO CERTIFICATION

Company Name

Address

Internal Revenue Service Employer Identification Number

GENERAL

In accordance with provisions of the County Code of the County of Los Angeles, the Proposer certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, religion, ancestry, national origin, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

CERTIFICATION	YES	NO
1. Proposer has written policy statement prohibiting discrimination in all phases of employment.	()	()
2. Proposer periodically conducts a self-analysis or utilization analysis of its work force.	()	()
3. Proposer has a system for determining if its employment practices are discriminatory against protected groups.	()	()
4. When problem areas are identified in employment practices, Proposer has a system for taking reasonable corrective action to include establishment of goal and/or timetables.	()	()

Signature

Date

Name and Title of Signer (please print)

REQUIRED FORMS - EXHIBIT 9

**ATTESTATION OF WILLINGNESS TO CONSIDER
GAIN/GROW PARTICIPANTS**

As a threshold requirement for consideration for contract award, Proposer shall demonstrate a proven record for hiring GAIN/GROW participants or shall attest to a willingness to consider GAIN/GROW participants for any future employment opening if they meet the minimum qualifications for that opening. Additionally, Proposer shall attest to a willingness to provide employed GAIN/GROW participants access to the Proposer's employee mentoring program, if available, to assist these individuals in obtaining permanent employment and/or promotional opportunities.

To report all job openings with job requirements to obtain qualified GAIN/GROW participants as potential employment candidates, Contractor shall email: GAINGROW@dpss.lacounty.gov and BSERVICES@wdacs.lacounty.gov.

Proposer shall complete all of the following information, sign where indicated below, and return this form with their proposal.

A. Proposer has a proven record of hiring GAIN/GROW participants.

_____ YES (subject to verification by County) _____ NO

B. Proposer is willing to provide DPSS with all job openings and job requirements to consider GAIN/GROW participants for any future employment openings if the GAIN/GROW participant meets the minimum qualifications for the opening. "Consider" means that Proposer is willing to interview qualified GAIN/GROW participants.

_____ YES _____ NO

C. Proposer is willing to provide employed GAIN/GROW participants access to its employee-mentoring program, if available.

_____ YES _____ NO _____ N/A (Program not available)

Proposer's Organization: _____

Signature: _____

Print Name: _____

Title: _____ Date: _____

Telephone No: _____ Fax No: _____

REQUIRED FORMS - EXHIBIT 10

COUNTY OF LOS ANGELES CONTRACTOR EMPLOYEE JURY SERVICE PROGRAM CERTIFICATION FORM AND APPLICATION FOR EXCEPTION

The County's solicitation for this Request for Proposals is subject to the County of Los Angeles Contractor Employee Jury Service Program (Program), [Los Angeles County Code, Chapter 2.203](#). All proposers, whether a contractor or subcontractor, must complete this form to either certify compliance or request an exception from the Program requirements. Upon review of the submitted form, the County department will determine, in its sole discretion, whether the proposer is given an exemption from the Program.

Company Name:		
Company Address:		
City:	State:	Zip Code:
Telephone Number:		
Solicitation For _____ Services:		

If you believe the Jury Service Program does not apply to your business, check the appropriate box in Part I (attach documentation to support your claim); or, complete Part II to certify compliance with the Program. Whether you complete Part I or Part II, please sign and date this form below.

Part I: Jury Service Program is Not Applicable to My Business

- My business does not meet the definition of "contractor," as defined in the Program, as it has not received an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts (this exception is not available if the contract itself will exceed \$50,000). I understand that the exception will be lost and I must comply with the Program if my revenues from the County exceed an aggregate sum of \$50,000 in any 12-month period.

- My business is a small business as defined in the Program. It 1) has ten or fewer employees; and, 2) has annual gross revenues in the preceding twelve months which, if added to the annual amount of this contract, are \$500,000 or less; and, 3) is not an affiliate or subsidiary of a business dominant in its field of operation, as defined below. I understand that the exception will be lost and I must comply with the Program if the number of employees in my business and my gross annual revenues exceed the above limits.

"Dominant in its field of operation" means having more than ten employees and annual gross revenues in the preceding twelve months, which, if added to the annual amount of the contract awarded, exceed \$500,000.

"Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation.

- My business is subject to a Collective Bargaining Agreement (attach agreement) that expressly provides that it supersedes all provisions of the Program.

OR

Part II: Certification of Compliance

- My business has and adheres to a written policy that provides, on an annual basis, no less than five days of regular pay for actual jury service for full-time employees of the business who are also California residents, or my company will have and adhere to such a policy prior to award of the contract.

I declare under penalty of perjury under the laws of the State of California that the information stated above is true and correct.

Print Name:	Title:
Signature:	Date:

REQUIRED FORMS - EXHIBIT 11

PRICING SCHEDULE

Proposer's Name: _____

Cost Proposal:

	<u>Flat Annual Fee</u> ⁽¹⁾
<u>Single Plan</u>	
Horizons Plan (only)	\$ _____
Saving Plan (only)	\$ _____
Pension Savings Plan (only)	\$ _____

Multiple Plans (including any discount offered)

Horizons Plan	\$ _____
+ Savings Plan	\$ _____
+Pension Savings Plan	\$ _____
= Total	\$ _____

The annual fee shall be billed quarterly [annually for Pension Savings Plan] in arrears and prorated for partial service periods.

Optional Services:

	<u>Flat Fee</u>
Search to Replace Discretionary Manage or Cash Manager ⁽²⁾	\$ _____
Review of Alternative Investment Strategies and Report ⁽³⁾	\$ _____
Investment Manager Search and Selection ⁽⁴⁾	\$ _____

Notes:

- (1) Flat annual fee for services described in the Contract, including the Statement of Work, excluding 3.7 Optional Services and 3.8 Unanticipated Services.
- (2) Flat per search fee for optional services described in Statement of Work 3.7.1. If a single joint search is conducted for multiple plans, cost to be shared across the Deferred Compensation and Thrift Plan, Savings Plan, and Pension Savings Plan based on Plan asset level.
- (3) Flat per project fee for optional services described in Statement of Work 3.7.2 for Pension Savings Plan.
- (4) Flat per project fee for optional services described in Statement of Work 3.7.3 for Pension Savings Plan.

REQUIRED FORMS - EXHIBIT 12

**CERTIFICATION OF INDEPENDENT PRICE DETERMINATION
AND ACKNOWLEDGEMENT OF RFP RESTRICTIONS**

- A. By submission of this Proposal, Proposer certifies that the prices quoted herein have been arrived at independently without consultation, communication, or agreement with any other Proposer or competitor for the purpose of restricting competition.
- B. List all names and telephone number of person legally authorized to commit the Proposer.

NAME	PHONE NUMBER
_____	_____
_____	_____
_____	_____

NOTE: Persons signing on behalf of the Contractor will be required to warrant that they are authorized to bind the Contractor.

- C. List names of all joint ventures, partners, subcontractors, or others having any right or interest in this contract or the proceeds thereof. If not applicable, state "NONE."

- D. Proposer acknowledges that it has not participated as a consultant in the development, preparation, or selection process associated with this RFP. Proposer understands that, if it is determined by the County that the Proposer did participate as a consultant in this RFP process, the County shall reject this proposal.

Name of Firm

Print Name of Signer

Title

Signature

Date

REQUIRED FORMS - EXHIBIT 13

**CERTIFICATION OF COMPLIANCE WITH THE COUNTY'S
DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

Company Name:		
Company Address:		
City:	State:	Zip Code:
Telephone Number:	Email address:	
Solicitation/Contract For _____ Services:		

The Proposer/Bidder/Contractor certifies that:

- It is familiar with the terms of the County of Los Angeles Defaulted Property Tax Reduction Program, [Los Angeles County Code Chapter 2.206](#); **AND**

To the best of its knowledge, after a reasonable inquiry, the Proposer/Bidder/Contractor is not in default, as that term is defined in Los Angeles County Code Section 2.206.020.E, on any Los Angeles County property tax obligation; **AND**

The Proposer/Bidder/Contractor agrees to comply with the County's Defaulted Property Tax Reduction Program during the term of any awarded contract.

- OR -

- I am exempt from the County of Los Angeles Defaulted Property Tax Reduction Program, pursuant to Los Angeles County Code Section 2.206.060, for the following reason:

I declare under penalty of perjury under the laws of the State of California that the information stated above is true and correct.

Print Name:	Title:
Signature:	Date:

REQUIRED FORMS - EXHIBIT 14

**ZERO TOLERANCE POLICY ON HUMAN TRAFFICKING
CERTIFICATION**

Company Name:		
Company Address:		
City:	State:	Zip Code:
Telephone Number:	Email address:	
Solicitation/Contract for _____ Services		

PROPOSER CERTIFICATION

Los Angeles County has taken significant steps to protect victims of human trafficking by establishing a zero tolerance policy on human trafficking that prohibits contractors found to have engaged in human trafficking from receiving contract awards or performing services under a County contract.

Proposer acknowledges and certifies compliance with Section 8.58 (Compliance with County's Zero Tolerance Policy on Human Trafficking) of the proposed Contract and agrees that proposer or a member of his staff performing work under the proposed Contract will be in compliance. Proposer further acknowledges that noncompliance with the County's Zero Tolerance Policy on Human Trafficking may result in rejection of any proposal, or cancellation of any resultant Contract, at the sole judgment of the County.

I declare under penalty of perjury under the laws of the State of California that the information herein is true and correct and that I am authorized to represent this company.

Print Name:	Title:
Signature:	Date:

REQUIRED FORMS - EXHIBIT 15

**COMPLIANCE WITH FAIR CHANCE EMPLOYMENT HIRING PRACTICES
CERTIFICATION**

Company Name:		
Company Address:		
City:	State:	Zip Code:
Telephone Number:	Email address:	
Solicitation/Contract for _____ Services		

PROPOSER/CONTRACTOR CERTIFICATION

The Los Angeles County Board of Supervisors approved a Fair Chance Employment Policy in an effort to remove job barriers for individuals with criminal records. The policy requires businesses that contract with the County to comply with fair chance employment hiring practices set forth in California Government Code Section 12952, Employment Discrimination: Conviction History ([California Government Code Section 12952](#)), effective March 1, 2018.

Proposer/Contractor acknowledges and certifies compliance with fair chance employment hiring practices set forth in California Government Code Section 12952 and agrees that proposer/contractor and staff performing work under the Contract will be in compliance. Proposer/Contractor further acknowledges that noncompliance with fair chance employment practices set forth in California Government Code Section 12952 may result in rejection of any proposal, or termination of any resultant Contract, at the sole judgment of the County.

I declare under penalty of perjury under the laws of the State of California that the information herein is true and correct and that I am authorized to represent this company.

Print Name:	Title:
Signature:	Date:

APPENDICES E THROUGH K

FOR

STABLE FUND CONSULTING SERVICES

REQUEST FOR PROPOSALS (RFP)

REQUEST FOR PROPOSALS (RFP) TRANSMITTAL TO REQUEST A SOLICITATION REQUIREMENTS REVIEW

Proposer requesting a Solicitation Requirements Review must submit this form to the County within the timeframe identified in the solicitation document.

Proposer Name:	Date of Request:
Solicitation Title:	Solicitation No.:

A **Solicitation Requirements Review** is being requested because the Proposer asserts that they are being unfairly disadvantaged for the following reason(s): *(check all that apply)*

- Application of **Minimum Requirements**
- Application of **Evaluation Criteria**
- Application of **Business Requirements**
- Due to **unclear instructions**, the process may result in the County not receiving the best possible responses

For each area contested, Proposer must explain in detail the factual reasons for the requested review. *(Attach supporting documentation.)*

Request submitted by:

(Name)

(Title)

For County use only

Date Transmittal Received by County: _____ Date Solicitation Released: _____

Reviewed by: _____

COUNTY OF LOS ANGELES POLICY ON DOING BUSINESS WITH SMALL BUSINESS

Forty-two percent of businesses in Los Angeles County have five or fewer employees. Only about four percent of businesses in the area exceed 100 employees. According to the Los Angeles Times and local economists, it is not large corporations, but these small companies that are generating new jobs and helping move Los Angeles County out of its worst recession in decades.

WE RECOGNIZE. . . .

The importance of small business to the County. . .

- in fueling local economic growth
- providing new jobs
- creating new local tax revenues
- offering new entrepreneurial opportunity to those historically under-represented in business

The County can play a positive role in helping small business grow. . .

- as a multi-billion dollar purchaser of goods and services
- as a broker of intergovernmental cooperation among numerous local jurisdictions
- by greater outreach in providing information and training
- by simplifying the bid/proposal process
- by maintaining selection criteria which are fair to all
- by streamlining the payment process

WE THEREFORE SHALL:

1. Constantly seek to streamline and simplify our processes for selecting our vendors and for conducting business with them.
2. Maintain a strong outreach program, fully-coordinated among our departments and districts, as well as other participating governments to: a) inform and assist the local business community in competing to provide goods and services; b) provide for ongoing dialogue with and involvement by the business community in implementing this policy.
3. Continually review and revise how we package and advertise solicitations, evaluate and select prospective vendors, address subcontracting and conduct business with our vendors, in order to: a) expand opportunity for small business to compete for our business; and b) to further opportunities for all businesses to compete regardless of size.
4. Insure that staff who manage and carry out the business of purchasing goods and services are well trained, capable and highly motivated to carry out the letter and spirit of this policy.

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

2.203.010 Findings.

The board of supervisors makes the following findings. The county of Los Angeles allows its permanent, full-time employees unlimited jury service at their regular pay. Unfortunately, many businesses do not offer or are reducing or even eliminating compensation to employees who serve on juries. This creates a potential financial hardship for employees who do not receive their pay when called to jury service, and those employees often seek to be excused from having to serve. Although changes in the court rules make it more difficult to excuse a potential juror on grounds of financial hardship, potential jurors continue to be excused on this basis, especially from longer trials. This reduces the number of potential jurors and increases the burden on those employers, such as the county of Los Angeles, who pay their permanent, full-time employees while on juror duty. For these reasons, the county of Los Angeles has determined that it is appropriate to require that the businesses with which the county contracts possess reasonable jury service policies. (Ord. 2002-0015 § 1 (part), 2002)

2.203.020 Definitions.

The following definitions shall be applicable to this chapter:

- A. “Contractor” means a person, partnership, corporation or other entity which has a contract with the county or a subcontract with a county contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more such contracts or subcontracts.
- B. “Employee” means any California resident who is a full-time employee of a contractor under the laws of California.
- C. “Contract” means any agreement to provide goods to, or perform services for or on behalf of, the county but does not include:
 - 1. A contract where the board finds that special circumstances exist that justify a waiver of the requirements of this chapter; or
 - 2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor; or
 - 3. A purchase made through a state or federal contract; or
 - 4. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, or reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-3700 or a successor provision; or
 - 5. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, Section 4.4.0 or a successor provision; or
 - 6. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-2810 or a successor provision; or

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

7. A non-agreement purchase with a value of less than \$5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section A-0300 or a successor provision; or
 8. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section PP-1100 or a successor provision.
- D. "Full time" means 40 hours or more worked per week, or a lesser number of hours if:
1. The lesser number is a recognized industry standard as determined by the chief administrative officer, or
 2. The contractor has a long-standing practice that defines the lesser number of hours as full time.
- E. "County" means the county of Los Angeles or any public entities for which the board of supervisors is the governing body. (Ord. 2002-0040 § 1, 2002: Ord. 2002-0015 § 1 (part), 2002)

2.203.030 Applicability.

This chapter shall apply to contractors who enter into contracts that commence after July 11, 2002. This chapter shall also apply to contractors with existing contracts which are extended into option years that commence after July 11, 2002. Contracts that commence after May 28, 2002, but before July 11, 2002, shall be subject to the provisions of this chapter only if the solicitations for such contracts stated that the chapter would be applicable. (Ord. 2002-0040 § 2, 2002: Ord. 2002-0015 § 1 (part), 2002)

2.203.040 Contractor Jury Service Policy.

A contractor shall have and adhere to a written policy that provides that its employees shall receive from the contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with the contractor or that the contractor deduct from the employees' regular pay the fees received for jury service. (Ord. 2002-0015 § 1 (part), 2002)

2.203.050 Other Provisions.

- A. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter and shall issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.
- B. Compliance Certification. At the time of seeking a contract, a contractor shall certify to the county that it has and adheres to a policy consistent with this chapter or will have and adhere to such a policy prior to award of the contract. (Ord. 2002-0015 § 1 (part), 2002)

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

2.203.060 Enforcement and Remedies.

For a contractor's violation of any provision of this chapter, the county department head responsible for administering the contract may do one or more of the following:

1. Recommend to the board of supervisors the termination of the contract; and/or,
2. Pursuant to chapter 2.202, seek the debarment of the contractor. (Ord. 2002-0015 § 1 (part), 2002)

2.203.070. Exceptions.

- A. Other Laws. This chapter shall not be interpreted or applied to any contractor or to any employee in a manner inconsistent with the laws of the United States or California.
- B. Collective Bargaining Agreements. This chapter shall be superseded by a collective bargaining agreement that expressly so provides.
- C. Small Business. This chapter shall not be applied to any contractor that meets all of the following:
 1. Has ten or fewer employees during the contract period; and,
 2. Has annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, are less than \$500,000; and,
 3. Is not an affiliate or subsidiary of a business dominant in its field of operation.

"Dominant in its field of operation" means having more than ten employees and annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, exceed \$500,000.

"Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation. (Ord. 2002-0015 § 1 (part), 2002)

2.203.090. Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. 2002-0015 § 1 (part), 2002)

LISTING OF CONTRACTORS DEBARRED IN LOS ANGELES COUNTY

List of Debarred Contractors in Los Angeles County may be obtained by going to the following website:

<https://doingbusiness.lacounty.gov/listing-of-contractors-debarred-in-los-angeles-county/>

IRS NOTICE 1015

Latest version is available from IRS website at
<https://www.irs.gov/pub/irs-pdf/n1015.pdf>



Department of the Treasury
Internal Revenue Service

Notice 1015

(Rev. December 2021)

Have You Told Your Employees About the Earned Income Credit (EIC)?

What Is the EIC?

The EIC is a refundable tax credit for certain workers.

Which Employees Must I Notify About the EIC?

You must notify each employee who worked for you at any time during the year and from whose wages you did not withhold income tax. However, you do not have to notify any employee who claimed exemption from withholding on Form W-4, Employee's Withholding Certificate.

Note: You are encouraged to notify each employee whose wages for 2021 are less than \$57,414 that he or she may be eligible for the EIC.

How and When Must I Notify My Employees?

You must give the employee one of the following.

- The IRS Form W-2, Wage and Tax Statement, which has the required information about the EIC on the back of Copy B.
- A substitute Form W-2 with the same EIC information on the back of the employee's copy that is on Copy B of the IRS Form W-2.
- Notice 797, Possible Federal Tax Refund Due to the Earned Income Credit (EIC).
- Your written statement with the same wording as Notice 797.

If you give an employee a Form W-2 on time, no further notice is necessary if the Form W-2 has the required information about the EIC on the back of the employee's copy. If you give an employee a substitute Form W-2, but it does not have the required information, you

must notify the employee within 1 week of the date the substitute Form W-2 is given. If Form W-2 is required but is not given on time, you must give the employee Notice 797 or your written statement by the date Form W-2 is required to be given. If Form W-2 is not required, you must notify the employee by February 7, 2022.

You must hand the notice directly to the employee or send it by first-class mail to the employee's last known address. You will not meet the notification requirements by posting Notice 797 on an employee bulletin board or sending it through office mail. However, you may want to post the notice to help inform all employees of the EIC. You can download copies of the notice at www.irs.gov/FormsPubs. Or you can go to www.irs.gov/OrderForms to order it.

How Will My Employees Know if They Can Claim the EIC?

The basic requirements are covered in Notice 797. For more detailed information, the employee needs to see Pub. 596, Earned Income Credit (EIC), or the Instructions for Forms 1040 and 1040-SR.

How Do My Employees Claim the EIC?

An eligible employee claims the EIC on his or her 2021 tax return. Even an employee who has no tax withheld from wages and owes no tax may claim the EIC and ask for a refund, but he or she must file a tax return to do so. For example, if an employee has no tax withheld in 2021 and owes no tax but is eligible for a credit of \$800, he or she must file a 2021 tax return to get the \$800 refund.

Notice **1015** (Rev. 12-2021)
 Cat. No. 205991

**Title 2 ADMINISTRATION
DETERMINATIONS OF CONTRACTOR NON-RESPONSIBILITY
AND CONTRACTOR DEBARMENT**

- 2.202.010 Findings and declaration.**
- 2.202.020 Definitions.**
- 2.202.030 Determination of contractor non-responsibility.**
- 2.202.040 Debarment of contractors.**
- 2.202.050 Pre-emption.**
- 2.202.060 Severability.**

2.202.010 Findings and declarations.

- A. The board of supervisors finds that, in order to promote integrity in the county's contracting processes and to protect the public interest, the county's policy shall be to conduct business only with responsible contractors. The board of supervisors further finds that debarment is to be imposed only in the public interest for the county's protection and not for the purpose of punishment.
- B. Determinations of contractor non-responsibility and contractor debarment shall be made in accordance with the procedures set forth in the ordinance codified in this chapter and implementation instructions issued by the Internal Services Department.

(Ord. 2014-0035 § 1, 2014: Ord. 2005-0066 § 1, 2005: Ord. 2000-0011 § 1 (part), 2000.)

2.202.020 - Definitions.

For purposes of this chapter, the following definitions apply:

- A. "Contractor" means a person, partnership, corporation, or other entity who has contracted with, or is seeking to contract with, the county or a nonprofit corporation created by the county to provide goods to, or perform services for or on behalf of, the county or a nonprofit corporation created by the county. A contractor includes a contractor, subcontractor, vendor, or any of their respective officers, directors, owners, co-owners, shareholders, partners, managers, employees, or other individuals associated with the contractor, subcontractor, or vendor who participated in, knew of, or should reasonably have known of conduct that results in a finding of non-responsibility or debarment.
- B. "Contract" means any agreement to provide goods to, or perform services for or on behalf of, the county or a nonprofit corporation created by the county.
- C. "Debarment" means an action taken by the county which results in a contractor being prohibited from bidding or proposing on, being awarded and/or performing work on a contract with the county. A contractor who has been determined by the county to be subject to such a prohibition is "debarred."
- D. "Department head" means either the head of a department responsible for administering a particular contract for the county or the designee of same.
- E. "County" means the county of Los Angeles, any public entities for which the board of supervisors is the governing body, and any joint powers authorities of which the county is a member that have adopted county contracting procedures.

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- F. "Contractor hearing board" means the persons designated to preside over contractor debarment hearings and make recommendations on debarment to the board of supervisors.
- G. Determination of "non-responsibility" means an action taken by the county which results in a contractor who submitted a bid or proposal on a particular contract being prohibited from being awarded and/or performing work on that contract. A contractor who has been determined by the county to be subject to such a prohibition is "non-responsible" for purposes of that particular contract.
- H. "Bid or proposal" means a bid, proposal, or any other response to a solicitation submitted by or on behalf of a contractor seeking an award of a contract.
- (Ord. 2014-0035 § 2, 2014: Ord. 2005-0066 § 2, 2005: Ord. 2004-0009 § 1, 2004: Ord. 2000-0011 § 1 (part), 2000.)

2.202.030 - Determination of contractor non-responsibility.

- A. Prior to a contract being awarded by the county, the county may determine that a contractor submitting a bid or proposal is non-responsible for purposes of that contract. In the event that the county determines that a contractor is non-responsible for a particular contract, said contractor shall be prohibited from being awarded and/or performing work on that contract.
- B. The county may declare a contractor to be non-responsible for purposes of a particular contract if the county, in its discretion, finds that the contractor has done any of the following: (1) violated a term of a contract with the county or a nonprofit corporation created by the county; (2) committed an act or omission which negatively reflects on the contractor's quality, fitness, or capacity to perform a contract with the county, any other public entity, or a nonprofit corporation created by the county, or engaged in a pattern or practice which negatively reflects on same; (3) committed an act or omission which indicates a lack of business integrity or business honesty; or (4) made or submitted a false claim against the county or any other public entity.
- C. The decision by the county to find a contractor non-responsible for a particular contract is within the discretion of the county. The seriousness and extent of the contractor's acts, omissions, patterns, or practices as well as any relevant mitigating or aggravating factors, including those described in Subsection 2.202.040 (E) below, may be considered by the county in determining whether a contractor should be deemed non-responsible.
- D. Before making a determination of non-responsibility pursuant to this chapter, the department head shall give written notice to the contractor of the basis for the proposed non-responsibility determination, and shall advise the contractor that a non-responsibility hearing will be scheduled on a date certain. Thereafter, the department head shall conduct a hearing where evidence on the proposed non-responsibility determination is presented. The contractor and/or attorney or other authorized representative of the contractor shall be afforded an opportunity to appear at the non-responsibility hearing and to submit documentary evidence, present witnesses, and offer rebuttal evidence. After such hearing, the department head shall prepare a proposed decision, which shall contain a

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recommendation regarding whether the contractor should be found non-responsible with respect to the contract(s) at issue. A record of the hearing, the proposed decision, and any recommendation shall be presented to the board of supervisors. The board of supervisors may, in its discretion, limit any further hearing to the presentation of evidence not previously presented. The board of supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the department head. A non-responsibility finding shall become final upon approval by the board of supervisors.

(Ord. 2005-0066 § 3, 2005: Ord. 2004-0009 § 2, 2004: Ord. 2000-0011 § 1 (part), 2000.)

2.202.040 - Debarment of contractors.

- A. The county may debar a contractor who has had a contract with the county in the preceding three years and/or a contractor who has submitted a bid or proposal for a new contract with the county.
- B. The county may debar a contractor if the county finds, in its discretion, that the contractor has done any of the following: (1) violated a term of a contract with the county or a nonprofit corporation created by the county; (2) committed an act or omission which negatively reflects on the contractor's quality, fitness, or capacity to perform a contract with the county, any other public entity, or a nonprofit corporation created by the county, or engaged in a pattern or practice which negatively reflects on same; (3) committed an act or omission which indicates a lack of business integrity or business honesty; or (4) made or submitted a false claim against the county or any other public entity.
- C. The decision by the county to debar a contractor is within the discretion of the county. The seriousness and extent of the contractor's acts, omissions, patterns, or practices as well as any relevant mitigating or aggravating factors, including those described in Subsection (E) below, may be considered by the county in determining whether to debar a contractor and the period of debarment. Generally, the period of debarment should not exceed five years. However, if circumstances warrant, the county may impose a longer period of debarment up to and including permanent debarment.
- D. To impose a debarment period of longer than five years, and up to and including permanent debarment, in addition to the grounds described in Subsection (B) above, the county shall further find that the contractor's acts or omissions are of such an extremely serious nature that removal of the contractor from future county contracting opportunities for the specified period is necessary to protect the county's interests.
- E. Mitigating and aggravating factors that the county may consider in determining whether to debar a contractor and the period of debarment include but are not limited to:
 - (1) The actual or potential harm or impact that results or may result from the wrongdoing.
 - (2) The frequency and/or number of incidents and/or duration of the wrongdoing.
 - (3) Whether there is a pattern or prior history of wrongdoing.

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- (4) A contractor's overall performance record. For example, the county may evaluate the contractor's activity cited as the basis for the debarment in the broader context of the contractor's overall performance history.
 - (5) Whether a contractor is or has been debarred, found non-responsible, or disqualified by another public entity on a basis of conduct similar to one or more of the grounds for debarment specified in this Section.
 - (6) Whether a contractor's wrongdoing was intentional or inadvertent. For example, the county may consider whether and to what extent a contractor planned, initiated, or carried out the wrongdoing.
 - (7) Whether a contractor has accepted responsibility for the wrongdoing and recognizes the seriousness of the misconduct that led to the grounds for debarment and/or has taken corrective action to cure the wrongdoing, such as establishing ethics training and implementing programs to prevent recurrence.
 - (8) Whether and to what extent a contractor has paid or agreed to pay criminal, civil, and administrative liabilities for the improper activity, and to what extent, if any, has the contractor made or agreed to make restitution.
 - (9) Whether a contractor has cooperated fully with the county during the investigation, and any court or administrative action. In determining the extent of cooperation, the county may consider when the cooperation began and whether the contractor disclosed all pertinent information known to the contractor.
 - (10) Whether the wrongdoing was pervasive within a contractor's organization.
 - (11) The positions held by the individuals involved in the wrongdoing.
 - (12) Whether a contractor participated in, knew of, or tolerated the offense.
 - (13) Whether a contractor brought the activity cited as a basis for the debarment to the attention of the county in a timely manner.
 - (14) Whether a contractor has fully investigated the circumstances surrounding the cause for debarment and, if so, made the result of the investigation available to the county.
 - (15) Whether a contractor had effective standards of conduct and internal control systems in place at the time the questioned conduct occurred.
 - (16) Whether a contractor has taken appropriate disciplinary action against the individuals responsible for the activity which constitutes the cause for debarment.
 - (17) Other factors that are appropriate to the circumstances of a particular case.
- (Ord. 2014-0035 § 4, 2014: Ord. 2005-0066 § 4, 2005: Ord. 2004-0009 § 3, 2004: Ord. 2000-0011 § 1 (part), 2000.)

- F. Before making a debarment determination pursuant to this chapter, the department head shall give written notice to the contractor of the basis for the proposed debarment, and shall advise the contractor that a debarment hearing will be scheduled on a date certain. The

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contractor hearing board shall conduct a hearing where evidence on the proposed debarment is presented. The contractor and/or attorney or other authorized representative must be given an opportunity to appear at the debarment hearing and to submit documentary evidence, present witnesses, and offer rebuttal evidence at that hearing. After such hearing, the contractor hearing board shall prepare a proposed decision, which shall contain a recommendation regarding whether the contractor should be debarred and, if so, the appropriate length of time for the debarment. A record of the hearing, the proposed decision, and any recommendation shall be presented to the board of supervisors. The board of supervisors may, in its discretion, limit any further hearing to the presentation of evidence not previously presented. The board of supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the contractor hearing board. A debarment finding shall become final upon the approval of the board of supervisors.

- G. In making a debarment determination, the board of supervisors may also, in its discretion and consistent with the terms of any existing contracts that the contractor may have with the county, terminate any or all such existing contracts. In the event that any existing contract is terminated by the board of supervisors, the county shall maintain the right to pursue all other rights and remedies provided by the contract and/or applicable law.
- H. With respect to a contractor who has been debarred for a period longer than five years, the contractor may, after the debarment has been in effect for at least five years, request that the county review the debarment determination to reduce the period of debarment or terminate the debarment. The county may consider a contractor's request to review a debarment determination based upon the following circumstances: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the county. A request for review shall be in writing, supported by documentary evidence, and submitted to the chair of the contractor hearing board. The chair of the contractor hearing board may either: 1) determine that the written request is insufficient on its face and deny the contractor's request for review; or (2) schedule the matter for consideration by the contractor hearing board which shall hold a hearing to consider the contractor's request for review, and, after the hearing, prepare a proposed decision and a recommendation to be presented to the board of supervisors. The board of supervisors may, in its discretion, limit any further hearing to the presentation of evidence not previously presented. The board of supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the contractor hearing board. A reduction of the period of the debarment or termination of the debarment shall become final upon the approval of the board of supervisors. (Ord. 2005-0066 § 4, 2005: Ord. 2004-0009 § 3, 2004: Ord. 2000-0011 § 1 (part), 2000.)

2.202.050 - Pre-emption.

In the event any contract is subject to federal and/or state laws that are inconsistent with the terms of the ordinance codified in this chapter, such laws shall control.

(Ord. 2000-0011 § 1 (part), 2000.)

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2.202.060 - Severability.

If any section, subsection, subpart or provision of this chapter, or the application thereof to any person or circumstances, is held invalid, the remainder of the provisions of this chapter and the application of such to other persons or circumstances shall not be affected thereby.

(Ord. 2000-0011 § 1 (part), 2000.)

**Title 2 ADMINISTRATION
Chapter 2.206
DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

- 2.206.010 Findings and declarations.**
- 2.206.020 Definitions.**
- 2.206.030 Applicability.**
- 2.206.040 Required solicitation and contract language.**
- 2.206.050 Administration and compliance certification.**
- 2.206.060 Exclusions/Exemptions.**
- 2.206.070 Enforcement and remedies.**
- 2.206.080 Severability.**

2.206.010 Findings and declarations.

The Board of Supervisors finds that significant revenues are lost each year as a result of taxpayers who fail to pay their tax obligations on time. The delinquencies impose an economic burden upon the County and its taxpayers. Therefore, the Board of Supervisors establishes the goal of ensuring that individuals and businesses that benefit financially from contracts with the County fulfill their property tax obligation. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.020 Definitions.

The following definitions shall be applicable to this chapter:

- A. “Contractor” shall mean any person, firm, corporation, partnership, or combination thereof, which submits a bid or proposal or enters into a contract or agreement with the County.
- B. “County” shall mean the county of Los Angeles or any public entities for which the Board of Supervisors is the governing body.
- C. “County Property Taxes” shall mean any property tax obligation on the County's secured or unsecured roll; except for tax obligations on the secured roll with respect to property held by a Contractor in a trust or fiduciary capacity or otherwise not beneficially owned by the Contractor.
- D. “Department” shall mean the County department, entity, or organization responsible for the solicitation and/or administration of the contract.
- E. “Default” shall mean any property tax obligation on the secured roll that has been deemed defaulted by operation of law pursuant to [California Revenue and Taxation Code section 3436](#); or any property tax obligation on the unsecured roll that remains unpaid on the applicable delinquency date pursuant to [California Revenue and Taxation Code section 2922](#); except for any property tax obligation dispute pending before the Assessment Appeals Board.
- F. “Solicitation” shall mean the County’s process to obtain bids or proposals for goods and services.
- G. “Treasurer-Tax Collector” shall mean the Treasurer and Tax Collector of the County of Los Angeles. (Ord. No. 2009-0026 § 1 (part), 2009.)

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Chapter 2.206
DEFAULTED PROPERTY TAX REDUCTION PROGRAM

2.206.030 Applicability.

This chapter shall apply to all solicitations issued 60 days after the effective date of the ordinance codified in this chapter. This chapter shall also apply to all new, renewed, extended, and/or amended contracts entered into 60 days after the effective date of the ordinance codified in this chapter. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.040 Required solicitation and contract language.

All solicitations and all new, renewed, extended, and/or amended contracts shall contain language which:

- A. Requires any Contractor to keep County Property Taxes out of Default status at all times during the term of an awarded contract;
- B. Provides that the failure of the Contractor to comply with the provisions in this chapter may prevent the Contractor from being awarded a new contract; and
- C. Provides that the failure of the Contractor to comply with the provisions in this chapter may constitute a material breach of an existing contract, and failure to cure the breach within 10 days of notice by the County by paying the outstanding County Property Tax or making payments in a manner agreed to and approved by the Treasurer-Tax Collector, may subject the contract to suspension and/or termination. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.050 Administration and compliance certification.

- A. The Treasurer-Tax Collector shall be responsible for the administration of this chapter. The Treasurer-Tax Collector shall, with the assistance of the Chief Executive Officer, Director of Internal Services, and County Counsel, issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other departments.
- B. Contractor shall be required to certify, at the time of submitting any bid or proposal to the County, or entering into any new contract, or renewal, extension or amendment of an existing contract with the County, that it is in compliance with this chapter is not in Default on any County Property Taxes or is current in payments due under any approved payment arrangement. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.060 Exclusions/Exemptions.

- A. This chapter shall not apply to the following contracts:
 - 1. Chief Executive Office delegated authority agreements under \$50,000;
 - 2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor;
 - 3. A purchase made through a state or federal contract;

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4. A contract where state or federal monies are used to fund service related programs, including but not limited to voucher programs, foster care, or other social programs that provide immediate direct assistance;
 5. Purchase orders under a master agreement, where the Contractor was certified at the time the master agreement was entered into and at any subsequent renewal, extension and/or amendment to the master agreement.
 6. Purchase orders issued by Internal Services Department under \$100,000 that is not the result of a competitive bidding process.
 7. Program agreements that utilize Board of Supervisors' discretionary funds;
 8. National contracts established for the purchase of equipment and supplies for and by the National Association of Counties, U.S. Communities Government Purchasing Alliance, or any similar related group purchasing organization;
 9. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles Purchasing Policy and Procedures Manual, section P-3700 or a successor provision;
 10. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, section 4.6.0 or a successor provision;
 11. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section P-2810 or a successor provision;
 12. A non-agreement purchase worth a value of less than \$5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section A-0300 or a successor provision; or
 13. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual section P-0900 or a successor provision;
 14. Other contracts for mission critical goods and/or services where the Board of Supervisors determines that an exemption is justified.
- B. Other laws. This chapter shall not be interpreted or applied to any Contractor in a manner inconsistent with the laws of the United States or California. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.070 Enforcement and remedies.

- A. The information furnished by each Contractor certifying that it is in compliance with this chapter shall be under penalty of perjury.
- B. No Contractor shall willfully and knowingly make a false statement certifying compliance with this chapter for the purpose of obtaining or retaining a County contract.

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- C. For Contractor's violation of any provision of this chapter, the County department head responsible for administering the contract may do one or more of the following:
1. Recommend to the Board of Supervisors the termination of the contract; and/or,
 2. Pursuant to [chapter 2.202](#), seek the debarment of the contractor; and/or,
 3. Recommend to the Board of Supervisors that an exemption is justified pursuant to [Section 2.206.060.A.14](#) of this chapter or payment deferral as provided pursuant to the California Revenue and Taxation Code. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.080 Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. No. 2009-0026 § 1 (part), 2009.)