CalPERS

# Investment Committee

**California Public Employees' Retirement System**

## Agenda Item 8a

February 18, 2014

**ITEM NAME:** Contracts Administration: Private Equity Board Consultant Request for Proposal

**PROGRAM:** Private Equity

**ITEM TYPE:** Independent Oversight – Action

### RECOMMENDATION

Approve the Statement of Services to be Performed, Minimum Qualifications, Proposal Evaluation Sheet, the Proposal Evaluation Process, and the initiation of the request for proposal (RFP) process for the Private Equity Board Investment Consultant.

### EXECUTIVE SUMMARY

This agenda item outlines the initiation of the Board Investment Consultant RFP for the Private Equity Program. The current contract with Pension Consulting Alliance Inc. (PCA) began on July 1, 2009 and is scheduled to terminate on June 30, 2015.

Per Board Resolution No. 92-04B-4, staff requests approval from the Investment Committee (IC) to release an RFP to procure a new contract for the Private Equity Board Investment Consultant for a term of up to five years.

Contracted services will be inclusive of specialized professional assistance regarding strategy and policy analysis, performance analysis and monitoring, and independent advisory services to the IC.

### STRATEGIC PLAN

This item supports the CalPERS Strategic Plan goal to cultivate a high-performing, risk-intelligent and innovative organization. The approval of the Statement of Services to be Performed (Attachment 1) and the use of a competitive selection process supports CalPERS mitigation of operational risks.

### INVESTMENT BELIEFS

This item supports CalPERS *Investment Beliefs* by providing a process to the Board to obtain Private Equity-related expertise and advisory services.

**BACKGROUND**

The Private Equity Board Investment Consultant, as an independent advisor to the IC, provides specialized professional assistance regarding strategy and policy analysis, as well as performance analysis and monitoring.

In August 2013, the IC approved an extension of the current contract through June 30, 2015 to allow for continuity through the implementation of the Private Equity Strategic Plan.

**ANALYSIS**

Upon approval by the IC, the RFP will be released in late spring of 2014, and staff estimates that a contract could be executed by May 2015. This RFP will reflect the updated Statement of Services to be Performed which reflects the Role of the Private Asset Class Board Investment Consultants Policy (Attachment 2).

The competitive selection process for the Private Equity Board Investment Consultant is anticipated to take approximately 12 months from the time of RFP release to full execution of the resulting contract. The RFP will be designed to solicit qualified bidders who are capable of providing specialized professional assistance. Significant attention from Investment Office senior and executive management will be required to successfully complete the selection process.

Firms will be assessed against a robust Minimum Qualifications (Attachment 3) review. Firms that have satisfied the Minimum Qualifications will advance to the Technical Proposal Evaluation phase for staff to evaluate and score the RFP utilizing the consensus scoring methodology. The evaluation team may receive guidance and oversight from two members of the IC. Proposal(s) must meet a 100 point minimum in the Technical Proposal Evaluation to advance to the Fee Proposal Evaluation phase. Once staff scores the Fee Proposals, the evaluation team will rank the proposers in order of their combined Technical and Fee Proposal scores and determine the finalists who will be interviewed by the IC. The IC will conduct oral interviews of the finalists and score proposals utilizing the trimmed average scoring methodology as detailed in the Proposal Evaluation Process (Attachment 4). Either immediately following the oral interviews or at a subsequent IC meeting, the Board will award the contract to the candidate receiving the highest overall score, and the Notice of Intent to Award will be issued. Additionally, the draft Proposal Evaluation Sheet (Attachment 5) has been attached.

The proposed key activities and anticipated dates are as follows:

| Proposed Key Activities and Anticipated Dates | |
|---|---|
| **Anticipated Dates** | **Key Activity** |
| Spring 2014 | RFP release |
| **Minimum Qualifications Review Period** | |
| Summer 2014 | Staff evaluate Minimum Qualifications |
| **Interview and Selection Period** | |
| Summer 2014 | Staff evaluates and scores technical and fee proposals |
| Fall 2014 | IC conducts interviews and selects finalists |
| **Contract Negotiation, Preparation and Execution** | |
| Spring 2015 | Contract negotiations and preparation |
| May 2015 | Contract execution |

**BUDGET AND FISCAL IMPACTS**

The current Private Equity Board Investment Consultant, PCA, has served in this role since July 2009 at the annual cost of $495,000.

The anticipated term of the new contract, as a result of this new RFP, will be for a five-year term with hourly costs to be negotiated.

**BENEFITS/RISKS**

Approving the initiation of the competitive bidding process for the Private Equity Board Investment Consultant will minimize the risk of interruptions of advisory services provided to the Board.

Failure to initiate the competitive bidding process may result in the Board's lack of access to a Private Equity advisory service.

**ATTACHMENTS**

Attachment 1 – Proposed Statement of Services to be Performed
Attachment 2 – Statement of Investment Policy for Role of the Private Asset Class Board Investment Consultants
Attachment 3 – Minimum Qualifications
Attachment 4 – Proposal Evaluation Process
Attachment 5 – Proposal Evaluation Sheet

CAROL MOODY
Interim Chief Operating Investment Officer

# Services To Be Performed

Subject to the Role of the Private Asset Class Board Investment Consultants Policy (Policy), and amendments or modifications, the Consultant shall provide services as outlined below. In performing these services, the Consultant will, at all times, be subject to and comply with the Policy, and all other relevant CalPERS Investment Policies, which can be found at www.calpers.ca.gov. The Policy is provided as Attachment 2 of this agenda item.

## I. STRATEGY AND POLICY ANALYSIS

a. Review and opine on investment policies and delegations of authority.

b. Review and opine on strategic and annual plans.

c. Provide forecasts of asset class returns for total fund asset allocation purposes.

d. Provide analysis of market developments, market conditions, and macro-level view of market opportunities to the Investment Committee, as needed.

## II. PERFORMANCE ANALYSIS AND MONITORING

a. Prepare investment performance reports and portfolio risk analysis; Monitor and report on deviations from policy benchmark performance and long-term expected performance.

b. Provide guidance on performance measurement methodologies.

c. Review and opine on appropriateness of asset class benchmarks, as part of the strategic asset allocation process.

## III. INDEPENDENT ADVISOR TO THE INVESTMENT COMMITTEE

a. Attend Investment Committee as requested by staff and/or when Private Equity Program reviews occur.

b. Provide opinion to the Investment Committee on investments above staff's delegation of authority.

c. Evaluate whether the investment transactions comply with applicable Committee policy and, if applicable, staff's delegation of authority and provide an opinion(s) regarding compliance.

d. Perform an annual review of major asset class sub-component programs and provide an opinion on performance, risk, manager selection and monitoring processes, and on internal control process and staffing.

e. Perform an annual review of the program and provide an opinion(s) on performance, risk, manager selection and monitoring processes, internal control processes and staffing.

f. Provide independent advice to the Committee on all aspects of the program and its implementation.

g. Provide analysis and reports consistent with the Policy, as directed by the Committee.

Except as noted in Section III.B.5 of the Policy, the Private Asset Class Board Investment Consultants shall not:

h. Manage assets for CalPERS.

i. Perform work for staff on special projects.

j. Provide opinions to staff regarding specific investment transactions.

## IV. SPECIAL PROJECTS

In limited circumstances, the Private Asset Board Investment Consultant may be engaged for roles enumerated in Section III.B.4.a-c of the Policy if the Private Asset Class Board Investment consultant possesses unique knowledge or expertise that is not available through other providers. Such an arrangement must be approved by the Committee prior to engagement. In situations where adequate time is not available to request Committee approval, staff may request approval from the Chair of the Committee. Upon approval of the request, staff will notify the other Committee members.

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**
**STATEMENT OF INVESTMENT POLICY**

**FOR**
**ROLE OF PRIVATE ASSET CLASS BOARD INVESTMENT CONSULTANTS**

**October 15, 2012**

*This policy is effective immediately upon adoption.*

## I. PURPOSE

The California Public Employees' Retirement System ("CalPERS") Total Fund Statement of Investment Policy, adopted by the CalPERS Investment Committee ("Committee"), sets forth CalPERS overarching investment purposes and objectives with respect to all its investment programs.

This document sets forth the investment policy ("Policy") for the Role of Private Asset Class Board Investment Consultants ("Private Asset Class Board Investment Consultants").

## II. STRATEGIC OBJECTIVE

The strategic objective of this Policy is to define the roles of the Private Asset Class Board Investment Consultants to support our mission in advancing the financial and health security for all who participate in CalPERS.

## III. RESPONSIBILITIES

A. CalPERS Investment Staff ("Staff") is responsible for monitoring the implementation of, and compliance with, the Policy. Staff shall report concerns, problems, material changes, and all violations of the Policy at the next Committee meeting, or sooner if deemed necessary. These reports shall include explanations of any violations and appropriate recommendations for corrective action.

B. The Private Asset Class Board Investment Consultant is responsible for:

   1. Strategy and Policy Analysis

      a. Review and opine on investment policies and delegations of authority.

      b. Review and opine on strategic and annual plans.

c. Provide forecasts of asset class returns for total fund asset allocation purposes.

d. Provide quarterly analysis of market developments, market conditions, and macro-level view of market opportunities to the Committee.

2. Performance Analysis and Monitoring

a. Prepare quarterly investment performance reports and portfolio risk and attribution analysis; Monitor and report on deviations from policy benchmark performance and long-term expected performance.

b. Provide guidance on performance measurement methodologies.

c. Review and opine annually on appropriateness of asset class benchmarks.

d. Validate accuracy of Real Estate incentive fee calculations[1].

3. Independent Advisor to the Committee

a. Provide opinion to the Committee on investments above Staff's delegation of authority.

b. Evaluate whether investment transactions comply with applicable Committee policy and, if applicable, Staff's delegation of authority and provide opinion regarding compliance.

c. Perform annual reviews of major asset class sub component programs and provide opinion on performance, risk, manager selection and monitoring processes, and on internal control process and staffing.

d. Perform annual review of the program and provide opinion on performance, risk, manager selection and monitoring processes, and on internal control processes and staffing.

e. Provide independent advice to the Committee on all aspects of the program and its implementation.

[1] This is a current role of the Real Estate Board Investment Consultant that could be re-evaluated over time.

f. Provide analysis and reports consistent with Policy, as directed by the Committee.

4. Except as noted in Section III.B.5, The Private Asset Class Board Investment Consultants shall not:

a. Manage assets for CalPERS.

b. Perform work for Staff on special projects.

c. Provide opinions to Staff regarding specific investment transactions.

5. In limited circumstances, the Private Asset Class Board Investment Consultant may be engaged for roles enumerated in section III.B.4.a-c if the Private Asset Class Board Investment Consultant possesses unique knowledge or expertise that is not available through other providers. Such an arrangement must be approved by the Committee prior to engagement. In situations where adequate time is not available to request Committee approval, Staff may request approval from the Chair of the Committee. Upon approval of the request, Staff will notify the other Committee members.

## IV. INVESTMENT TRANSACTIONS – PRIVATE ASSET CLASS BOARD INVESTMENT CONSULTANTS – REAL ASSETS

A. Investment Transactions within Staff's delegated authority

1. Investment transactions less than or equal to $50 million:

a. Staff will analyze the transaction and make the investment decision.

b. An Investment Pool Consultant, other than the Private Asset Class Board Investment Consultant may provide a Prudent Person Opinion to Staff at the discretion of the Senior Investment Officer ("SIO").

c. The Private Asset Class Board Investment Consultant may observe transaction discussions at the request of the SIO.

2. Investment transactions that exceed $50 million[2]:

[2] All new investments and aggregated commitment of additional capital to a single investment or a single manager within a fiscal year timeframe.

a. Staff will analyze the transaction and make the investment decision.

b. An Investment Pool Consultant, other than the Private Asset Class Board Investment Consultant will provide a Prudent Person Opinion to Staff.

c. The Private Asset Class Board Investment Consultant may observe transaction discussions at the request of the SIO.

B. Investment transactions exceeding Staff's delegated authority:

1. Staff will analyze the transaction and provide a recommendation to the Committee.

2. An Investment Pool Consultant, other than the Private Asset Class Board Investment Consultant will provide a Prudent Person Opinion to Staff.

3. The Private Asset Class Board Investment Consultant will participate in transaction discussions.

4. The Private Asset Class Board Investment Consultant will provide an opinion on the transaction to the Committee.

C. Opinion Standard

The Private Asset Class Board Investment Consultant and the Investment Pool Consultants shall provide a Prudent Person Opinion on the merits of a transaction following a fiduciary standard of care.

## V. INVESTMENT TRANSACTIONS – PRIVATE ASSET CLASS BOARD INVESTMENT CONSULTANTS – PRIVATE EQUITY

A. Investment Transactions within Staff's delegated authority

1. Investment transactions considered Fund investments, Co-Investments or Customized Investment Accounts that invest alongside other similarly structured funds in the same investments:

a. Staff will analyze the transaction and make the investment decision.

b. An Investment Pool Consultant, other than the Private Asset Class Board Investment Consultant may provide an independent due diligence report to Staff at the discretion of the SIO.

c. The Private Asset Class Board Investment Consultant may observe transaction discussions at the request of the SIO.

2. Investment transactions considered a Customized Investment Account with an individual mandate that does not invest alongside other similarly structured funds in the same investments or a Direct Investment:

   a. Staff will analyze the transaction and make the investment decision.

   b. An Investment Pool Consultant, other than the Private Asset Class Board Investment Consultant will provide a Prudent Person Opinion to Staff.

   c. The Private Asset Class Board Investment Consultant may observe transaction discussions at the request of the SIO.

B. Investment transactions exceeding Staff's delegated authority:

1. Staff will analyze the transaction and provide a recommendation to the Committee.

2. An Investment Pool Consultant, other than the Private Asset Class Board Investment Consultant will provide a Prudent Person Opinion.

3. The Private Asset Class Board Investment Consultant will participate in transaction discussions and provide an opinion on the transaction to the Committee.

## VI. GLOSSARY OF TERMS

Key words used in this policy are defined in CalPERS Master Glossary of Terms.

Approved by the Policy Subcommittee: June 15, 2011
Adopted by the Investment Committee: August 15, 2011
Approved by the Investment Committee: October 15, 2012

# Asset Class Glossary: Investment & Risk Management Policy: Role of Private Asset Class Board Investment Consultants
## July 25, 2013

**Co Investment**
A Direct Investment made by CalPERS where CalPERS has an existing commitment to a fund which is also investing in the company.

**Customized Investment Accounts**
An investment structure in which CalPERS partners with a firm that has distinct investment expertise in an industry, geographic region or investment style and has demonstrated the ability to provide top quartile returns. Other than the General Partner, CalPERS would be the sole investor. This structure may have an individual mandate or may invest alongside other similarly structured funds on the same investments with different terms.

**Direct Investment**
An investment that is made directly or indirectly by CalPERS in a company.

**Fiduciary Standard of Care**
The consultant or external resource shall discharge its duties with respect to this system solely in the interest of the participants and beneficiaries by acting with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with those matters would use in the conduct of an enterprise of a like character and with like aims.

**Fund**
A co-mingled investment vehicle through which investments are made. Funds are usually structured as Limited Partnerships.

**Investment Pool Consultants**
An individual or organization who are contractually retained or have been appointed to a pool by CalPERS to provide investment advice but who do not exercise investment discretion.

**Private Asset Class Board Investment Consultant**
An individual or organization that provides specialized professional assistance to the Investment Committee related to an asset class regarding strategy and policy analysis, performance analysis and monitoring, and independent advisory service to the Investment Committee.

**Prudent Person Opinion**
An opinion from a consultant or external resource subject to the Fiduciary Standard of Care that the proposed investment is a prudent investment consistent with Article XVI, Section 17(c) of the California Constitution and Section 20151 (c) of the California Government Code, i.e., made with the care, skill, prudence, and diligence under the

circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.

**MINIMUM QUALIFICATIONS**

The Proposer must meet all of the following Minimum Qualifications in order for its Proposal to proceed to the Technical Proposal Evaluation stage. Failure to satisfy any of these qualifications and requirements upon submittal of the Proposal will result in the rejection of the Proposal. An individual who is authorized to bind the Proposer contractually must sign the Minimum Qualifications Certification, Attachment A, to certify that the Proposer meets all of the Minimum Qualifications. Such certification also must include an explanation of how each Minimum Qualification is met. It is preferred that the Proposer explain in writing on, or attached to, Attachment A how each Minimum Qualification is met. Proposer may provide the explanation(s) elsewhere in its Proposal, however the Proposer should identify that the explanation serves to explain its satisfaction of the particular Minimum Qualification.

The Minimum Qualifications may be satisfied by the Proposer as a joint venture as specified in the Joint Venture Policy, Exhibit 1. CalPERS Joint Venture Policy permits only joint venturers to use their combined individual experience and qualifications to fully satisfy all Minimum Qualifications. If the Proposer is submitting a Proposal based on a prime contractor/subcontractor relationship the subcontractor's qualifications cannot be used to satisfy the Minimum Qualifications.

CalPERS retains the sole right to decide whether any Proposer is qualified to bid.

1. As of December 31, 2013, the proposing firm must have a minimum of three (3) years of experience, in the last five (5) years, providing consulting services to public pension funds with assets under management (AUM) of at least $10B at the time the public pension retained the proposing firm's services.

   Show evidence of this by completing the Evidence Minimum Qualification #1, Response, Exhibit [ X ]. All requested fields in the Evidence Minimum Qualifications Response #1, Exhibit [ X ] must be completed in order to satisfy this Minimum Qualification. The proposal may be disqualified if all requested fields are not completed.

2. As of December 31, 2013, each of the proposing firm's key personnel dedicated to the CalPERS contract or the organization, must have at least three (3) years of experience in providing consulting services to institutional fund clients (excluding pension funds) in private equity valuation and performance measurement, and analysis services.

   Show evidence of this by completing the Evidence Minimum Qualification #2, Response, Exhibit [ Y ]. All requested fields in the Evidence Minimum Qualifications Response #1, Exhibit [ Y ] must be completed in order to satisfy this Minimum Qualification. The proposal may be disqualified if all requested fields are not completed.

3. As of December 31, 2013, within the last ten (10) years, the proposing firm must have at least three (3) years of experience in providing consulting services to institutional fund clients (excluding pension funds) in private equity valuation, performance measurement, and analysis service.

   Show evidence of this by completing the Evidence Minimum Qualification #3, Response, Exhibit [ Z ]. All requested fields in the Evidence Minimum Qualifications Response #1, Exhibit [ Z ] must be completed in order to satisfy this Minimum Qualification. The proposal may be disqualified if all requested fields are not completed.

**Evidence of Minimum Qualification #1**

As of December 31, 2013, the proposing firm must have a minimum of three (3) years of experience, in the last five (5) years, providing consulting services to public pension funds with assets under management (AUM) of at least $10B at the time the public pension retained proposing firm's services.

Evidence satisfaction of Minimum Qualification #1 by completing the table below. All requested fields must be completed in order to satisfy this Minimum Qualification. Additional rows may be added if necessary. CalPERS may contact the firms listed below as a reference.

| Name of Public Pension | Contact Name | Contact Phone Number | Contact Email Address | AUM at the time proposer was retained by firm listed | Dates (to and from in MM/YYYY format) proposer was retained to provide pension consulting services. |
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**Evidence of Minimum Qualification #2**

As of December 31, 2013, each of the proposing firm's key personnel dedicated to the CalPERS contract or the organization, must have at least three (3) years of experience in providing consulting services to institutional fund clients (excluding pension funds) in private equity valuation and performance measurement, and analysis services.

Evidence satisfaction of Minimum Qualification #2 by completing the table below. All requested fields must be completed in order to satisfy this Minimum Qualification. Additional rows may be added, if necessary.

| **Key Person Name** | **Hire Date of Key Person** | **Summary of consulting experience to institutional (excluding pension funds). Experience listed should be limited private equity valuation and performance measurement, and analysis services.** |
|---|---|---|
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**Evidence of Minimum Qualification #3**

As of December 31, 2013, within the last ten (10) years, the proposing firm must have at least three (3) years of experience in providing consulting services to institutional fund clients (excluding public pension funds) in private equity valuation, performance measurement, and analysis service.

Evidence satisfaction of Minimum Qualification #3 by this by completing the table below. All requested fields must be completed in order to satisfy the Minimum Qualification. CalPERS may contact the firms listed below as a reference.

| **Name of firm (reference) retained by Proposer** | **Service Start Date (MM//YYYY)** | **Service End Date (MM/YYYY or Current)** | **Services Proposer provided to firm listed** |
|---|---|---|---|
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# CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM PRIVATE EQUITY INVESTMENT BOARD CONSULTANT EVALUATION PROCESS

All Proposals received on or before the final filing date and time as specified in the Schedule of Events will be evaluated as outlined below. CalPERS may request clarifications from Proposers at any phase of the evaluation process for the purpose of clarifying ambiguities in the information presented in the Proposal.

CalPERS, in the exercise of its exclusive discretion, may permit the Proposer to correct any error, omission, deviation, or other defect. Alternatively, CalPERS may waive such error, omission, deviation, or other defect. However, such waiver shall in no way modify the RFP documents or excuse the Proposer from full compliance with the RFP requirements.

## A. Preliminary Review

The Technical Proposal will be reviewed to determine completeness of required documentation and compliance with DVBE requirements using the Required Attachments Certification Checklist to confirm receipt of all required documents. CalPERS may reject any or all Proposals that fail to meet these requirements.

Staff will also review the Technical Proposal to ensure Minimum Qualifications are met. If Minimum Qualifications are met, the RFP will advance to the Technical Proposal Evaluation phase.

## B. Technical Proposal Evaluation

Upon satisfactory preliminary review, the Technical Proposal will be evaluated by staff. The evaluation team may receive guidance and oversight from two members of the CalPERS Board of Administration Investment Committee. Each team member will independently evaluate the Proposers' Technical Proposal, using the Proposal Evaluation Sheet. A single score for each Technical Proposal will be reached by consensus of the evaluation team, with a maximum of 200 points.

After CalPERS has ascertained that the Technical Proposal score meets or exceeds 100 points, the RFP will advance to the Fee Proposal Evaluation phase.

## C. Fee Proposal Evaluation

Proposers that are continuing in the evaluation process will have their Fee Proposal opened. The lowest Fee Proposal will receive a maximum score of 300 points. All other Fee Proposals will be rated proportionately as follows:

$$\frac{\text{Lowest Fee Proposal}}{\text{Proposer's Fee Proposal}} \times 300 = \text{Proposer's Score}$$

## D. Finalists

Each Proposal's Technical Proposal Score will be combined with the Proposer's Fee Proposal Score, with a maximum of 500 total points. The highest scoring Proposals, as determined by staff, will be Finalists and continue in the evaluation process; two members of the CalPERS Board of Administration Investment Committee may provide guidance and oversight to staff in determining the Finalists.

One or more team members will conduct background and reference checks of each Finalist. This information will be rated as satisfactory or unsatisfactory as prescribed on the Proposal Evaluation Sheet.

## E. Finalists Interviews

Each Finalist rated as satisfactory in all categories of the background and reference checks will be required to appear for an oral interview with CalPERS Board of Administration Investment Committee at a time and place to be announced. Finalists will be notified in advance of the specific date, time, and format for the interview. Please remember that if interviews are to be webcast, Finalists have signed the CalPERS Full Board of Administration Interview Form agreeing they will not watch any of the other Finalists' interviews. A Proposer found in violation of this Attachment (Full Board of Administration Interview Form) certification may cause the proposal to be rejected. The interview shall include participation by all key professionals who will exercise a significant administrative, policy, or consulting role under the contract and will be evaluated using a "trimmed average" scoring methodology as illustrated in the sample below.

Trimmed Average Scoring Methodology

The table below describes the interview scoring process, assuming for illustration purposes, that nine committee members ("raters") are assigning scores.

| Step | Action |
|---|---|
| 1 | Each rater scores the Proposers individually assigning a score using the following scale:<br>**0** = Unacceptable **1** = Poor **2** = Fair **3** = Good **4** = Very Good **5** = Excellent |
| 2 | The scores from the individual rater score sheets are entered onto a combined rater score sheet. |
| 3 | The lowest score and the highest score for each Proposer are ignored. |
| 4 | The seven remaining scores are added together and then divided by seven to achieve the "trimmed average" score. |
| 5 | The trimmed average score is multiplied by the maximum number of points to achieve the total points. |
| 6 | The Final Interview Score is calculated by dividing the total points by five (largest possible score choice). |

**Assuming Total Available Board Points of 100**

| | Proposer 1 | Proposer 2 | Proposer 3 | Proposer 4 |
|---|---|---|---|---|
| Rater 1 | 5 | 4 | 5 | 3 |
| Rater 2 | 5 | 4 | 5 | 2 |
| Rater 3 | 5 | 4 | 5 | 5 |
| Rater 4 | 5 | 4 | 5 | 3 |
| Rater 5 | 4 | 4 | 5 | 2 |
| Rater 6 | 4 | 4 | 1 | 5 |
| Rater 7 | 4 | 4 | 1 | 1 |
| Rater 8 | 3 | 4 | 1 | 0 |
| Rater 9 | 1 | 4 | 1 | 5 |

| | | | | |
|---|---|---|---|---|
| Trimmed Average Score | 4.29 | 4.0 | 3.29 | 3.0 |
| Total Points | 429 | 400 | 329 | 300 |
| Final Interview Score | 85.8 | 80 | 65.8 | 60 |

Each Proposer's Final Interview Score will be combined with the Technical and Fee Proposal Scores and any applicable preference and incentive points. Proposals will be ranked from highest to lowest.

In case of a tie between two or more Finalists' Interview Scores, the Final Interview Scores will be rounded to the nearest one-hundredth decimal.

## F. Award of Contract

1. The Contract award, if any, will be made to the responsive and responsible Finalist having the highest total score, but it may be subject to final negotiations and satisfaction of all requirements. Should negotiations not be successful with the selected Finalist, CalPERS may, based on its exclusive discretion, negotiate with the Proposer having the next highest total score.

2. Notice of CalPERS intent to award to the selected Proposer will be posted in CalPERS Contracts Management Section and at www.calpers.ca.gov for five (5) State business days before the award of a contract is made.

# CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

## PRIVATE EQUITY BOARD CONSULTANT SERVICES

## PROPOSAL EVALUATION SHEET

Firm's Name ________________________________________

| | | | |
|---|---|---|---|
| **I.** | **MINIMUM QUALIFICATIONS** | | |
| | Minimum Qualifications reviewed? | Yes ☐ | No ☐ |
| | | Qualified ☐ | Disqualified ☐ |

| **II.** | **TECHNICAL PROPOSAL** | **Maximum Points** | **Proposer's Points** |
|---|---|---|---|
| | Technical Proposal Evaluation | 200 | ________ |
| | **TOTAL TECHNICAL POINTS** | **200*** | ________ |

* Minimum score of 100 points required to advance to Fee Proposal Evaluation.

| **III.** | **FEE PROPOSAL** | **Maximum Points** | **Proposer's Points** |
|---|---|---|---|
| | Fee Proposal Evaluation | 300 | ________ |
| | **TOTAL FEE POINTS** | **300** | ________ |

| **COMBINED SECTION II AND III TOTAL POINTS** | **Maximum Points** | **Proposer's Points** |
|---|---|---|
| Section II Total Points | 200 | ________ |
| Section III Total Points | 300 | ________ |
| **SUB TOTAL SECTIONS I AND II POINTS** | **500**** | |

** The highest scoring proposals, as determined by CalPERS will be Finalists.

Firm's Name ______________________________

| | | | | |
|---|---|---|---|---|
| | **BACKGROUND AND REFERENCE CHECKS** | | | |
| | Were background and reference checks satisfactory? | Yes ☐ | No ☐ | N/A ☐ |

| | | **Maximum Points** | **Proposer's Points** |
|---|---|---|---|
| **IV.** | **INVESTMENT COMMITTEE INTERVIEWS** | | |
| | Investment Committee Interviews | 500 | ______ |
| **TOTAL INVESTMENT COMMITTEE INTERVIEW POINTS** | | **500** | ______ |

| **GRAND TOTAL COMBINED POINTS** | **Maximum Points** | **Proposer's Points** |
|---|---|---|
| Technical Proposal Points | 200 | ______ |
| Fee Proposal Points | 300 | ______ |
| Investment Committee Interview Points | 500 | ______ |
| Preference/Incentive Points (if applicable) | | ______ |
| **GRAND TOTAL POINTS** | **1000** | ______ |